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APRIL, 1930 25

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A Magazine of the Theory and Practice of Marxism-Leninism

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MAX BEDACHT, *Editor*

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OF THE COMMUNIST, published monthly at New York, N. Y., for October 1, 1929.

State of New York
County of New York

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Marie Reiss, who, having been duly sworn according to law, deposes and says that she is the Business Manager of The Communist, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation, etc.), of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

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Max Kitzes, Notary Public (My commission expires March 30, 1932.)

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Notes of the Month

ON March 6 the working class of the United States showed its determination to refuse to starve. March 6 showed the increase of influence of the Communist Party and the revolutionary trade unions throughout large sections of the American working class. Over One Million and One-Quarter workers demonstrated on the streets in face of the police terror and poisonous propaganda of the American Federation of Labor and Socialist Party. Only two days prior to March 6, American capitalism refused to recognize that there is unemployment in the United States; but the determination of the masses to struggle under the political leadership of the Communist Party and the revolutionary trade unions forced the Hoover administration and Secretary of Labor Davis to recognize that there are at least three million unemployed workers in the United States. What is important for us to note in this unemployment struggle is the political character of the unemployed demonstrations. While the unemployed workers were mobilized on economic demands to fight for work or wages, yet the Communist Party and the revolutionary trade unions did not fail to point out that unemployment cannot be abolished under capitalism and only the destruction of the capitalist state and the abolition of capitalism can solve the unemployment question. It is precisely this political turn of the unemployment movement that American capitalism fears. They are afraid that in spite of the natural wealth of the United States, the American workers will recognize that the present society cannot provide them with a living, and will naturally draw their conclusions that we must build a new society through the revolutionary overthrowal of the present capitalist system. Unemployment, in spite of the rosy reports of the capitalist class, is on the increase, and capitalism can't solve it. This is being recognized even by Wall Street itself when in the February 22 issue of the Magazine of Wall Street, it is stated:

> "Economists are agreed that to create jobs for the purpose of checking or preventing unemployment is pernicious. It interferes with the natural adjustments, fosters the demoralizing idea that the government owes every man a job, and is wasteful because it results in unnecessary and, usually, unproductive expenditure of capital."

It is now our task to concretize more definitely the unemployed struggle by building new councils of the unemployed and strengthening the old ones, by concretizing more definitely the demands of

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the unemployed and by driving the unemployment struggle along political and revolutionary channels.

* * *

WITH the sharpening of the class struggle and with the growth of the influence of the Communist Party and the deepening of the crisis of capitalism, the attack against our Party and the revolutionary working class becomes severe. The coming congressional investigations of the activities of the Party, the vicious attacks on the Party and the revolutionary trade union movement by the Socialsit Party and the A. F. of L. are all in themselves attempts to drive the Communist Party and the revolutionary movement underground. This the working class must not permit. It is now the duty of every class conscious worker to prepare himself and mobilize his shop mates for the struggle for the legal existence of the Communist Party and demand the immediate and unconditional release of the leaders of the New York demonstration and of the hundreds of workers who were arrested and prosecuted by the State in the demonstrations of the various cities of the United States during March 6. In this struggle the Socialist Party and the renegades from Communism again showed their true face. The Socialist Party has no objection to the police clubbing workers and arresting Communists. It only objects on the ground that this may give recognition to the Communist Party as the only fighter for the interests of the working class. The degenerate Lovestone and Cannon group, on the other hand, following the footsteps of Norman Thomas, accuse the Communist Party of driving itself underground for its own adventurist purpose. This was to be expected, because at the very outset of the struggle of the unemployed, Lovestone called the preparations of the Communist Party and the revolutionary trade unions against unemployment, a "putch."

* * *

SIDE by side with the sharpening crisis of capitalism internationally, the differences between the capitalist powers are sharpening and are coming more to the forefront. The London Conference is a splendid exhibition of this situation. Openly the capitalist press recognizes that the London Conference was a failure, but this is only bringing out the correctness of the Leninist analysis that disarmament under capitalism cannot be accomplished. However, while the imperialist powers failed because of their contradictory and antagonistic interests to come to an understanding even on the question of degree of arming themselves, they have agreed on a united struggle against the Soviet Union. The working class must note that now there is a new aspect being drawn into the struggle of the capitalist world and their allies, the Socialists against the Soviet Union. They are

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now preparing for a financial and commercial blockade against the Soviet Union. In the light of this situation, therefore, for the working class there remains only one task of intensifying their struggle for the defense of the Soviet Union, of making wider known the achievements of the Soviet Union to the American workers and farmers.

* * *

WHILE the economic crisis in the United States deepens day by day, President Hoover and all other agencies of the Government continue to blast the entire capitalist press with optimistic forecasts and predictions. We can understand the position of Hoover and his administration trying to conceal the fact that capitalism cannot solve its contradictions and that the bubble of American prosperity burst by the very development of the economic and industrial life of the country. On March 7, after the great historical demonstrations of the American working class took place, President Hoover predicted that in sixty days American economy and industry will come back to "normal" and unemployment will be wiped out. For us, however, it is only necessary to look into the economic developments of the country and we will find that production in the main basic industries on which capitalist prosperity depends is continuously declining. Automobile production for the first two months of 1930 declined 33%, compared with the same period of 1929. During the first week of March, automobile production was 50% less than production for the same period of 1929. Here, however, it is also necessary to note that nearly Five Million workers depend for their livelihood on the automobile industry. Steel production, which during the month of February increased a few points, is now rapidly sagging back to the 72% of capacity production. Building contracts, as reported by F. W. Dodge Corporation, showed that during the first two weeks of the month of March, building contracts were $2,800,000 less than during the same period of 1929. Freight car loading, one of the basic indicators of business conditions, is continuously on the decline. It is true the capitalists are boasting of the lower discount rate, but it was certainly long ago established that this in itself cannot be a stimulant for business conditions. The "Annalist" of March 14 had to state concerning this matter, the following:

> "That it should be in any real sense a remedy of present disturbed and abnormal conditions need not be expected."

The capitalist class lies, but these lies cannot conceal the starvation and misery of the masses and the deepening of the economic crisis of capitalism.

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UNEMPLOYMENT is also affecting the organized workers and the resistance of the rank and file within the American Federation of Labor against the reactionary fascist leadership is growing daily. To prevent the growth of dissatisfaction within the A. F. of L., and to prevent the militant action on the part of the unorganized millions of workers, the fascist Muste group is coming to the forefront as the savior of the A. F. of L. and the misleader of the workers. Of great interest in this respect is the recent Indianapolis and Springfield conventions of the United Mine Workers. The Springfield convention was a Peabody Coal Company convention in which it enlisted the services of the fake progressives like Howat, Brophy and Walker under the general leadership of the Muste group. Although the Springfield convention was called as a "rank and file" convention, the rank and file recognized the purpose of this gathering and correctly refused to participate in such a convention. The convention held during the same period in Indianapolis under the leadership of Lewis, had also as its main purpose to prepare the ground for the sell-out of the 150,000 anthracite miners and to make a desperate effort to retain some of the check-off of the Illinois miners. No one would ever believe that the Springfield convention intended to fight against the A. F. of L. It is now already definite that the so-called "insurgents" at the Springfield convention and Fishwick will remain faithful to the A. F. of L. and the the coal operators. The National Miners Union will find a very favorable opportunity at the present time to build up a mass organization of fighting miners against the Lewis-Fishwick-Muste-Peabody Company Union.

* * *

THE present membership drive of the Trade Union Unity League for 50,000 new members by June 30 and the preparation for the Fifth Congress of the R.I.L.U. demand immediate mobilization of out entire party membership for this important work. The recruiting campaign of the Communist Party has proven that with proper mobilization this goal of the T.U.U.L. in which we are greatly interested could be achieved. Especially in the present period, the broadening of our activities and recruiting of thousands of workers into the T.U.U.L. is our major test. Although the T.U.U.L. since the last Cleveland Convention grew in influence and established itself among the American workers as their only leader and fighter in the economic field, yet in comparison with the possibilities offered in the present period, the Party has not done much to build the T.U.U.L. or to take our trade union work seriously. It is now our task to take definite measures to carry thru the R.I.L.U. decision concerning the new methods of work and the es-

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tablishment of a united front from below. As a prerequisite for a successful recruiting campaign for the T.U.U.L., it is also necessary that the Party membership and the revolutionary working class has a clear conception of the role of the T.U.U.L. in the United States. The recent decisions of the Plenum of the R.I.L.U. must serve as a basis for all ideological discussion and clarification of the role of the T.U.U.L. and tasks of the revolutionary workers.

* * *

THE broadening of the political activities of the Party, which will be concretely facilitated by our Plenum, must also reflect itself in our preparations for the coming congressional, senatorial and gubernatorial elections. In these coming elections we must see to it that we abolish the discrepancy which exists between our political influence and organizational strength. These coming elections must serve as a political education of the masses concerning the class character of the state, and the difference between the Communist Party and the trade unions, as a preparation for mass political action on the part of the workers in the overthrowing of capitalism and the establishment of a dictatorship of the proletariat. The coming congressional elections must be one of the major campaigns of the Party in which we will be in a position to bring our program to the wide masses of American workers and farmers.

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Against Liberalism in the American Negro Question

By N. NASONOV

ARTICLES published recently have prompted Comrade Schick to criticize sharply our views, in which connection he put forward an "original" point of view on the American Negro problem. His article is longer than the one he criticizes. It is physically impossible to answer on all points. We shall brush aside all polemical attacks and also those which by their coarseness go beyond the ordinary limits of polemics. He wants to cover up his weak theoretical points by the use of abusive and strong words.

I should mention by the way that my article was written eight months ago and that I have already forgotten many of the facts upon which my article was based. But one must answer. The subject is very important and new. Comrade Schick digresses from the truth by saying that "the first half of Nassonov's article (the better half) is a popular presentation of generally known facts..... No one will undertake to dispute these facts and figures." The "generally known facts and figures" contained in Comrade Haywood's and my articles have for the first time been presented in *such* light. We should recall that Comrade Schick himself either did not see or disputed these facts and figures when he wrote that: "They (the Communists) should demand for the oppressed American Negroes, not as a nation but as a race, as well as for the oppressed Jews in some capitalist countries, not the right of national self-determination (for who is going to do the self-determining?), but full political and social equality." (The Communist International No. 33-34, 1928).

To compare the position of the Jews with that of Negroes, means not to know the "generally known facts."

Comrade Schick would do better if he disputed the "generally known facts" rather than bringing the discussion back to the general formulation of the national problem.

We shall devote our reply to three chief tasks:

1. To show that Schick abandons the present position of Communism on the national problem.

2. To show and to prove that there is a *cardinal difference* between the position of Comrade Schick and that of the Comintern on the Negro problem.

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3. To answer to a number of questions concerning the position of the Negroes in the United States raised by Comrade Shick.

THE NATIONAL PROBLEM IN THE IMPERIALIST EPOCH.

Comrade Shick's strongest theoretical argument is his statement that "according to Lenin these movements (the national movements of oppressed nations) are bound up with the epoch of the final victory of capitalism over "feudalism" and also that "it is clear that the principal economic basis of any bourgeois national movement of an oppressed nation is the struggle of the *industrial* bourgeoisie for its untrammelled economic development, for the home market, for a removal of such obstacles as the language. *This is not a movement of petty-bourgeois producers* (our emphasis —N. N.) *who are themselves a market for themselves.*"

In other words (we shall not discuss here Shick's terminology "bourgeois movement of an oppressed nation"—by this terminology Comrade Shick renders a discussion difficult because he has the right to interpret his terms as he likes), any movement of an oppressed nation has only then a right to exist when its economic foundation is a struggle of a national industrial bourgeoisie for the home market of the given nation.

If that is so the Negroes "have no right" to a national revolutionary movement, and any such Negro movement is reactionary, as Comrade Shick maintains. But this connection has nothing in common with the contemporary positions of Communism on the national problem. Comrade Shick is wrong in his reference to Lenin. He merely proves there that one must not go by the letter but by its substance The substance of the matter is that we are now in a different epoch.

Stalin for example splendidly formulates various stages in the development of the national problem as follows:

> "It may be safely stated that the formulation of the national problem passed through 2 stages in the history of Russian Marxism, the first stage being prior to the October revolution, and the second, after the revolution. In the first stage the national problem was regarded as a part of the general problem of the bourgeois democratic revolution, i.e., as a part of the problem of the dictatorship of the working class and the peasantry. In the second stage, when the national problem became wider and a problem of the colonies, when the national problem became from an internal domestic problem a world problem, it is no longer regarded as a part of the general problem of the world revolution, as a part of the problem of the proletarian dictatorship." (Bolshevik No. 7, 1925).

Shick did not notice that the epoch has changed, while Lenin repeated tens and hundreds of times that one must always con-

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sider a question from the point of view of its time and place.*

The national problem has changed in the direction that:

> "The quintescence of the national problem now is the struggle of the popular masses in the colonies and of the subjugated nationalities against financial exploitation, against political enslavement and cultural extinction of these colonies and nationalities by the imperialist bourgeoisie of the ruling nation.
>
> Of what significance can the competitive struggle of the bourgeoisie of various nationalities be in this formulaton of the national problem? Of course, not of decisive importance, and in some cases of no importance at all. It is quite obvious that it is chiefly a question here not as to whether the bourgeoisie of one nationality beats or can beat in the competitive struggle the bourgeoisie of another nationality, it is rather a matter that the imperialist group of the ruling nationality exploits and oppresses the basic masses and first and foremost the peasants of the colonial and subjugated nationalities, and in oppressing and exploiting them, draws them into the struggle against imperialism and makes them allies in the proletarian revolution." (J. Stalin, "Bolshevik" No. 11, 12, 1925).

This passage is diametrically opposed to what Comrade Shick says. The nationalist movement in the imperialist epoch are linked up with the question of the victory of Socialism over capitalism.

The national problem now is "essentially a peasant problem," i.e. "a movement of petty-bourgeois producers."

Comrade Shick is deeply mistaken in saying that prior to the decisions of the Comintern on the Negro problem: "Self-determination in the accepted sense of that term, as it was understood by Lenin when he demanded self-determination for the oppressed nations of Europe and the colonies, was a *purely political demand.* . . . .There was no linking up of the struggle for self-determination with economic demands. We spoke of the right for political separation regardless of the economic demands of the exploited masses, we demanded self-determination not only for the toilers of the oppressed nations (it is true this was Comrade Bukharin's and others point of view which was emphatically rejected by the Party), but for the oppressed nations as such, regardless of their inner class differentiation." (This is what Shick says).

Comrade Shick counterposes form to content with the only purpose of being able to refer to Lenin as against the Comintern which, according to Shick, has adopted the viewpoint of the Russian "Left Communists" on the Negro question, "a viewpoint which

---

* The article "Results of the Discussion on Self-Determination," the speech at the II Congress of the C. I., the disputes with the Polish social-democrats whose position somewhat resembled that of Shick. The Polish social-democrats maintained that the "slogan of the social revolution" needs no screening. (Lenin, Vol. XIX, p. 195, Russian edition).

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was emphatically rejected by the Party." Comrade Shick apparently wants to infer thereby that he is right and the Comintern is wrong.

The right to self-determination does not signify impartiality with regards to class processes, but a recognition of the right for each given nationality to wage the class struggle in those national forms which it chooses, i.e. within the framework of the given political association or within the framework of its own national state. This right must be recognized by the proletariat of the ruling nation in order to eliminate the national distrust which exists among the proletarians of the oppressed nations towards the oppressor nations, including the proletariat of those nations.

Comrade Shick wants to picture us as narrow nationalists who "live and let live." It appears that the attitude of the Bolsheviks to other nations, and their duty as internationalists in relation to the proletariat of other countries, consist merely in the recognition of the right to political separation, i.e. the right of independent existence as a separate State. That is how far Bolshevik international policy goes. But this is not true.

> "We must so arrange matters that the German Social patriots may not have the opportunity to say that the Bolsheviks enforce their universal system which could be introduced in Berlin with the aid of red army bayonets. Should we reject the principle of self-determination of nations, such conclusions might be drawn." (Lenin, Vol. XIX, p. 213. Russian edition).

That was said in 1919. But did this mean that the programme of the Russian Bolsheviks was merely confined to the postulate that their universal principles could not be enforced upon other nationalities with the aid of Red Army bayonets? Of couse not. Has not the Communist Party of Germany been created and formed with their aid of the Russian Party? The Russian Communist Party is a Party of the proletariat which has taken power and is interested that the workers of the other countries take power into their hands as soon as possible. This Party is the leading Party in the Comintern. It helps by every means the revolutionary struggle in other countries and participates through the Comintern in defining the national tasks of the revolutionary movements of all nations of the world. But no nation can accuse the Communist Party of the Soviet Union of wanting to enforce its principles by means of violence. Comrade Shick does not see that the question of recognition of the right to self-determination is a question of *confidence* and not of impartiality. Only the recognition of the right to self-determination for the oppressed nations gives the proletariat of the oppressor nation an opportunity to take active part in the class struggles of the oppressed nation.

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The Bolshevik Party in Russia did not work out any separate national problems for the various nationalities which inhabited Czarist Russia, because the national programmes of struggle arose directly from the nature and character of the corresponding stages in the Russian Revolution, the Bolsheviks fought for the right to the national forms of struggle which arise from the general programme of the revolution.

According to Shick the Comintern has introduced a certain "nuance," i. e. the Comintern recognizes for the Negroes the right to self-determination only in so far as they fight for land. According to Shick the self-determination slogan is a slogan of the agrarian revolution. The agrarian revolution, and it alone, gives the Negroes the right to self-determination. In other words, the Comintern has allegedly adopted on the Negro question the point of view of the Russian "Left Communists," recognizing in relation to the Negroes the "self-determination for toilers" slogan to be correct. That this is not so, that the Comintern does not advance the agrarian revolution as a preliminary condition for the self-determination of the Negroes, is clear to anyone who reads the resolution of the Comintern.

Shick does not dare to reject the decisions of the Comintern, but he endeavors to depict them as advocating "agrarian self-determination." Comrade Shick says that "the slogan of self-determination for the Black Belt means a slogan of the agrarian revolution."

The Negro revolutionary movement will to a considerable extent have the agrarian revolution as its economic content, but Comrade Shick puts the equality sign between self-determination and the agrarian revolution and accuses the Comintern of having adopted the position of the "Left-Communists," simply in order to have an apportunity to deny the progressiveness of the struggle of the Negroes for democracy. But the struggle of the Negroes for democracy makes it inevitably necessary for the American proletariat to recognize the Negroes' right to self-determination.

Comrade Shick "disdainfully" refers to the "petty-bourgeois movement for democracy," moreover, he denies the progressiveness of such a movement and the duty of the proletariat to support it. Here is what he says:

> "We Marxian Leninists for whom the foundation of the revolutionary bourgeois national movement is a struggle of the industrial bourgeoisie for the home market and not a struggle of usurers for a chance to exploit and not merely a petty-bourgeois movement for democracy, of course cannot accept such formulae."

We have already spoken of the movement of the "industrial bourgeoisie," but no one has ever counted the usurers among the

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driving forces or even among the organizing or "stimulating" forces in the national movements.

There is still the "petty-bourgeois movement for democracy" to be dealt with. Shick does not recognize it, but we do and so does the Comintern. According to Shick, there is now a fight going on between feudalism and capitalism, i.e. free competition is fighting under the battle-cries of all possible liberties and "citizens' rights" against feudal restrictions and despotism. But we are now living in different times!

Lenin characterized our epoch somewhat differently:

> "Free competition is replaced by monopoly... The political superstructure of modern economy, of monopoly capitalism (imperialism being monopoly capitalism) is a return from democracy back to political reaction. Free competition corresponds to democracy. Monopoly corresponds to political reaction... In this sense it is incontestible that imperialism is a 'negation' of *democracy in general, of all democracy*, and by no means merely *one* of the demands of democracy, namely, self-determination of nations." (Vol. III, p. 353, Russian edition).

Does the proletariat discard as lightly the "petty-bourgeois movement of democracy" as Shick? Lenin says no. More than that, the proletariat fights for democracy:

> "Socialism is for two reasons impossible without democracy:
> "1. The proletariat cannot accomplish the social-revolution if it does not prepare for it through a struggle for democracy.
> "2. Triumphant socialism cannot maintain its victory and bring humanity to the negation of the State without realizing full democracy." (Lenin, Vol. XIII, p. 384. Russian edition).

This, by the way, was said in regard to those who denied the necessity of recognizing the right to self-determination on the pretext that the "social revolution will accomplish all... that self-determination is impossible under capitalism and unnecessary under Socialism."

This is not the place to explain why we fight for democracy, we merely want to show where Shick gets the diea of the rejection of the struggle for democracy. Recognition of the right of the Negroes to self-determination, i.e., recognition of the struggle of the Negro workers and farmers in the South as a *special form*, is merely a higher expression of the struggle of the proletariat for democracy.

The form may remain but the content changes. All Communists have for instance recognized China's right to free itself completely from the imperialist yoke, but the Communists as rep-

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resented by the Comintern, put the question of the content of the Chinese Revolution differently in the various stages of that revolution. Does this not hold good also for India and other countries? Ordinary commonsense does not permit the counterposing of form to its content.

Is it not clear that, figuratively speaking, our language is not the same as that of Comrade Shick, that we speak in the language of different epochs?

SHICK THE COMMUNIST UPHOLDS THE PROGRAMME OF DUBOIS THE LIBERAL.

Comrade Shick wants to prove that form is of secondary importance for the movement.

Our thesis was:

> "One of the allies in the proletarian socialist revolution in America can and should be the national-revolutionary movement of the Negro masses. It is quite probable that the Negro movement will still put forward some utopian ideas such as the theories of Garvey, but objectively any Negro revolutionary movement will be a part of the struggle of the American workers against capitalist domination."

Now Shick counterposes this thesis by the following:

> "The struggle of the Negroes of the Black Belt for self-determination is nothing but a struggle against political and social inequality of the Negroes which interferes with the toiling Negro population, the farmers who constitute the majority, in abolishing the relics of semi-slavery which still press upon them. The self-determination slogan for the Black Belt is a slogan of the agrarian revolution."

Reducing the national-revolutionary struggle of the Negroes to an agrarian problem, Shick says that "this movement can be only *conditionally* called a national-revolutionary movement, as is done in the resolution of the Comintern." First of all, the Comintern resolution does not call the movement "conditionally national revolutionary." It should have been necessary to give some evidence. Comrade Shick turns topsy-turvy the following Comintern thesis:

> "The Negro farm-hands and share-croppers feel strongest the persecutions and exploitation by the whites. The agrarian problem is thus at the basis of the Negro national movement."

Shick distorted this thesis and discarded the form of the Negro

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share-croppers' and farm hands' agrarian movement, its cover, the national character of the movement.

It is also wrong to counterpose the right to self-determination the struggle for equal rights. Recognizing the right to self-determination of the Negroes, we thereby recognize their equality. We are rebuked for having put full equality in inverted commas. I believe it would be a disgrace to argue in a theoretical Communist magazine, trying to prove that Negroes are human beings just like whites. I would consider it particularly disgraceful to do that by showing the blood compounds, the bones, and in general the structure of the body of a Negro, are the same as of a white man. This has already been done by Harriet Beecher Stowe, and her laurels need not have tempted you so Comrade Shick. For us Communists it is not a problem of proving this when speaking of the equality of all nations and races, but of finding the ways and means of its realization. Our problem is, how, under what slogans, and under what conditions, will a given oppressed people fight a revolutionary battle for its equality, and not merely by means of liberal constitutional benevolence.

We proved that the struggle of the Negroes for equality will assume the form of a national-revolutionary character as a part of the proletarian revolution.

"To think that the social-revolution is possible without revolts of the small nations in the colonies and in Europe, without revolutionary outbursts of the petty-bourgeoisie *with all its prejudices*, without a movement of the unconscious proletarians and semi-proletarian masses against the landlords, the church and against national oppression, etc., to think thus means to *renounce social-revolution*. . . Anyone who looks forward to a 'pure' social revolution will *never* see it." (Lenin, Vol. XIX. p. 194 Russian Ed.).

Such are the words used by Lenin against the upholders of the "purity" of the revolution, such as Comrade Shick is now, at least in so far as America is concerned.

The Communist Party, the vanguard of the working class, must forsee where and in what forms will there be outbursts so that it may lend greater force to the blow against imperialism. Comrade Shick's view is diametrically opposed to that.

Here is what Comrade Shick wrote in the summer of 1928:

> "The idea of an independent State under capitalism is a most reactionary utopia. The separatist movement does not in the least menace the American bourgeoisie. Of course, the bourgeoisie cannot permit such a movement to go too far. It will have to interfere and break-up such a separatist movement if the broad masses of the

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> revolutionary petty-bourgeoisie and the proletariat who have been fooled by the bourgeois leaders, will join the movement.
>
> "But this does not alter the fact that all such movements objectively play into the hands of the American bourgeoisie inasmuch as they separate the masses of the colored petty-bourgeoisie and the proletariat from the class struggle and from the real struggle for their emancipation as an oppressed race, the struggle for social equality. Instead of tearing down the Chinese Wall existing between the races, especially between the black and white workers, black and white farmers, each separatist movement consolidates this wall and deepens the chasm, sows the seeds of race hatred and animosity."

Comrade Shick divorces the Negro revolutionary movement from the revolutionary crisis in America which may flare up in connection with war and other complications fatal to capitalism. Will the American bourgeoisie be able to crush such a movement or not? This is a problem of the correlation of forces, in which the Negroes will occupy a place not of least importance.

Comrade Shick weeps over the so-called race riots and the opportunities of the Garvey movement as expressed in the "race riots." Can those who want to be set free from the slavery known as "American democracy" by organizing their own State in America be considered reactionaries? Can people who in defending themselves had to kill whites, people infuriated by the violence and abuses of the whites, be blamed for organizing riots? We regret that this struggle in America has not developed widely enough (Garvey's ideas kept the Negroes from such direct struggle), so that the crisis might be sharpened, the crisis which then developed in the United States. I think that all Communists should have been on the side of the Negroes during the so-called "race riots."

It should be understood that "the road to one aim, full equality closest kinship and further *fusion of all* nations goes here apparently through various concrete directions." (Lenin, Vol. XIX p. 187. Rus. Ed.) For Comrade Shick the means of doing away with race hatred it to be found in pedagogical methods which for some reason he calls revolutionary. Is it not a mockery of the word "revolution" to call Dubois' programme revolutionary, a programme which sees all evils coming from bad education and not from the imperialist system? Dubois' programme is to convince the whites that they must not treat the Negroes badly.

But we think that "National hatred will not disappear so quickly. This hatred will be quite justified for some time on the part of the oppressed nation. It will be overcome only *after* the victory of Socialism and *after* the final establishment of complete democratic relations between nations." (Lenin, Vol. XIX, p. 193).

Comrade Shick believes that it is possible to re-educate ten mil-

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lion Negroes without any revolutionary battles and to make them class-conscious, to make them trust the American workers, and to act as the majority of the American workers and farmers will want them to act. But he forgets that so far this majority is still the incarnation of violence of white American imperialism in relation to the Negroes. Here is what Comrade Ford and Williams, two Negro Communists, write:

> "The Negro proletarians as a rule understand their racial oppression, but they do not realize their class solidarity with the white workers. With very few exceptions, the most progressive Negro proletarians, those who are to a certain extent already class-conscious, still regard themselves as Negroes first and workers second... If Negro workers have no faith in the white man, no matter what his programme this is the more so true of the Negro farmer who suffers from the survivals of a system of the worst form of exploitation, based on racial grounds, the system of slavery." (The Communist International, No. 31 and 32, 1928).

The best method of gaining the confidence of the Negroes in the American workers in the contemporary struggle against imperialism, is the recognition of the Negroes' right to choose their own form of conducting this struggle. Shick's argument that "separatist movements" will deepen the chasm dividing the Negro workers from the whites is a monstrous distortion of all that the Communists teach on the national problem. This wall exists only insofar as there is no real struggle going on against capitalism either by the Negro toilers or the American workers. As soon as this struggle begins every white workers will understand what a powerful ally the revolutionary movement of the Negroes of the South who want to be the masters of their own land and to drive out the representatives of American imperialism can be. It is clear that the Negroes will fight against imperialism, against the capitalist regime, and that there is yet no other regime, i.e. the proletarian dictatorship.

In order to discredit the "self-determination" idea Comrade Shick says in commenting that "the idea of giving the Negroes the right to self-determination and to create an artificial Negro country on American soil has many times been promulgated by some of the worst American white reactionaries."

Moreover, Shick completely distorts the very idea of self-determination. He says: "At the same time the struggle for self-determination in the ordinary sense of this term is nothing but a struggle for the right to voluntary segregation." This is how Comrade Shick understands this problem. But if this is his idea of self-determination, if it is in his opinion merely a desire of the whites

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to drive the Negroes out of America, to be separated from them, as the reactionaries propose, there is certainly nothing more to be said.

Here is how Scott Nearing describes segregation in his latest book:

> "Negro inequality in its extreme form finds expression in social isolation or segregation. According to the principles of segregation the Negroes must spend all their time only among Negroes, excepting the time when they work for whites." (Black America, Scott Nearing, New York, 1929. (Re-translated from Russian).

Segregation is the Negro ghetto. The plans of the American reactionaries to move all Negroes to one place, and to call that place a Negro State or province, of course *under the control of American forces*, to force all these Negroes to work on plantations, to organize ghetto cotton plantations, is Shick's idea of "the Negroes' right to self-determination."

One can only shrug his shoulders.

But Shick did not endeavour to find in the demands of the liberals who advocate the application of the point in the Declaration of Independence also to the Negroes (namely, that "all men are born equal and endowed by their creator with certain inalienable rights among them which is the right of equality and happiness"—re-translated), such demands which would really guarantee equality, namely:

> 1. The withdrawal of American forces and the police from the Black Belt.
> 2. The dismissal of all white officers and their displacement by elected Negro officers.
> 3. The granting of the right to the Negroes to change the old and to pass new laws.
> 4. The granting of the right to the Negroes to organize their self-defence detachments against lynching, supplying them with arms at government expense.
> 5. That all expenditures in the Black Belt should be decided upon by the Negroes themselves, and the same also with regard to taxes.
> 6. That all land in these districts belonging to the capitalists, banks and other exploiters be transferred to the Negroes.

Will you find at least one Liberal with a revolutionary programme on the racial question willing to support such *reformist* demands? Yet these are not revolutionary demands but demands of democratic reform. We should state here that no government in the United States will pass such a reform. This reform will be enacted only as a result of revolution, which however does not alter the fact that its demands are those of democratic reform.

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Propaganda of the slogan of self-determination means that such reforms are demanded since we stand for a revolutionary solution of the Negro problem and consequently "we stand for such a programme of reforms which will *also* be directed against the opportunists." (Lenin "The Disarmament Slogan"). Only such "utopian" reforms guarantee equality. Only when such reforms have been passed can the Negroes be asked as to whether they do or do not want to use their right to self-determination.

How can one counterpose the slogan of self-determination to that of equality, regarding self-determination of "minor and secondary importance," and refering to John Reed?

In one of his articles Comrade Shick quotes John Reed's speech at the II Congress of the Communist International as follows:

"The Negroes do not demand national independence. . . . they consider themselves Americans and feel at home in the United States." (Re-translated). Since when has John Reed, a talented artist of the October Revolution, become the exponent of the yearnings of the Negroes?

One cannot ignore such things as an American soldier, a policeman, the lynch court, the brutalities of the Ku-Klux-Klan, the domination of the landlord, the bank agent, etc. who rule over the Negroes.

SOME CONCRETE QUESTIONS CONCERNING THE POSITION OF THE NEGROES.

Comrade Shick, regarding the Negroes as a race, does not want to see that the racial problem has in the South essentially become a national problem.

Is it right to compare the Negroes with the Jews in Czarist Russia, as is done by Shick? No it is not.

"The Jews have no broad sections bound up with the land which naturally consolidates a nation not only as a basis but also as a 'national' market. Of the five or six million Russian Jews only 3 or 4 per cent are in one way or another engaged in agriculture. The remaining 96 per cent are engeged in trade, industry, town institutions, living generally in towns scattered throughout Russia, and do not constitute a majority in any of the provinces. Thus, existing as national minorities in territories of other nationalities the Jews chiefly serve 'alien' nations as manufacturers, as people of free professions, who adapt themselves to 'alien nations' with regard to language, etc. All this leads in connection with the evolution of nations as a result of capittalist development to the assimilation of the Jews. The abolition of the ghetto can only hasten this process." (Stalin "Marxism and the National Problem").

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A comparison of the Negroes with the Jews can stand no criticism and shows that Shick's *methodological* position is entirely wrong.

Shick uses a "stunning argument." On the one hand the Negroes have their national language and religion, only incidentally these are the same as the language and the religion of their oppressors. But based on this argument any part of a nation can be arbitrarily proclaimed a separate nation.

In my article I did not speak of a "national" language of the Negroes but merely stated the fact that "the Negroes speak *one and the same* language as their oppressors." Allow me again to refer to Stalin (the same work)—"thus the *community of language* is one of the characteristic features of a nation."

This of course does not mean that different nations speaking different languages or that all who speak one and the same language necessarily comprise nations. I referred to the community of languages because the Negroes of Central Africa for example speak different dialects, just as the Arabians, for example in Arabia, without being different nations.

Shick denies the national features of the Negroes, but how does he explain then the fact that the Comintern has many times, beginning with the II Congress, defined the Negro movement as a national revolutionary movement? Lenin referred many times to the Negroes as an oppressed nation, and, what is more interesting, Lenin refers to the Negroes often when speaking about Ireland.*

Comrade Haywood, Hathaway, Bill Dunne, myself and others have shown that Lenin and the decisions of the II Congress spoke of the possible Negro movement as a national revolutionary movement not accidentally, and that their arguments were quite correctly based "on generally known facts and figures," and Comrade Shick has not shown and cannot show the contrary.

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* Lenin, Vol. XIX, pages 161, 217, 219. Russian edition.

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Toward Social-Fascism — The "Rejuvenation" of the Socialist Party

By A. B. MAGIL

"The fascists are nationalists, imperialists, war-mongers, enemies of Socialism, enemies of democracy, stranglers of the independent labor movement, workers' assassins and so on. The social-fascists are acting as a rule like the fascists, but they do their fascist work not with an open face, but behind a smoke-screen, as is done in war. This belongs to the nature of social-fascism: imperialist policy in the name of internationalism, capitalist policy in the name of socialism, abolition of the democratic rights of the toilers in the name of democracy, abolition of reform in the name of reformism, assassination of workers in the name of labor politics, and so on. The pathos of 'pure' fascism is expressed in the slogan of 'the nation' and in the open incitement to imperialist expansion. The pathos of the social-fascists is expressed in the slogan of keeping up the State. 'We have saved the State!' 'Without us the State would have perished!' "—Comrade Kuusinen's Report on the International Situation and the Tasks of the Communist International, Tenth Plenum of the Executive Committee of the Communist International.

I.

AMERICAN capitalism, faced with the Gordian knot of its mounting contradictions, which it cannot *untie*, but must *cut* with the ruthless sword of war, no longer finds the simple type of class collaboration adequate to check the revolt of the working-class. While capitalism itself reveals increasing tendencies toward more violent, more centralized, more fascist methods of repression, social-reformism, whose ties with capitalism have grown stronger as its ties with the masses of the toilers have weakened, is itself being drawn more and more into the orbit of fascism. In this the reformists react to pressure both from above and below: from their masters, the capitalists, on the one hand, and from the revolting rank and file on the other. The two chief agencies of American social-reformism, the Socialist Party and the American Federation of Labor, are, by using fascist methods, seeking to maintain the position they have won for themselves in capitalist economy,

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but above all, to keep intact the structure of capitalism and the capitalist state which is being threatened with collapse by the acute crisis of world capitalism and the growing militancy of the workingclass and the oppressed colonial peoples.

I will here confine myself to the manifestations of social-fascism in the Socialist Party, both on the political and economic fields.

The International Ladies Garment Workers Union, which is controlled by the Socialist Party, offers an example of social-fascism in and advanced state. An American Mussolini could incorporate this "union" into his fascist state with little or no modification. Class collaboration was long ago an active policy of the "socialist" officialdom of the I.L.G.W. They have now gone much further.

To understand this we must recall the history of the union-wrecking campaign inaugurated in December, 1926, by the famous coup d'etat of ex-President Sigman of the I.L.G.W., with the expulsion of the militant New York Joint Board and the victimization of thousands of workers. Sigman's campaign finally landed this once-powerful union on the rocks. The I.L.G.W., in New York at least, was sounding the death-rattle, and not even the blood-money transfusions of the corrupt and degenerate Jewish Daily Forward seemed able to save it.

The "rehabilitation" of the I.L.G.W. began officially at the Boston convention of the union in May, 1929, from which all left wing delegates were barred. And it reached its fine fruition in the fake strike of last July, a "strike" which is destined to serve in the future as a model of social-fascist trade union tactics. The fact that this "rehabilitation" was effected not only with the aid of the cloak bosses, but *with the active support and intervention of Wall Street finance capital, the employers' state and the police*—coupled with the shameless use of the most corrupt social demagogy—is the decisive feature differentiating it from "normal" class-collaboration and giving it an unequivocal social-fascist character.

In May, 1928, shortly after the Boston convention of the I.L.G.W., Col. Herbert Lehman, a member of the banking firm of Lehman Brothers, turned over $50,000 to Benjamin Schlesinger, newly elected vice-president (now president) of the International, for the purpose of "rehabilitating" the union. (Schlesinger, after an absence of several years, had come back into the union through intrigues of the Jewish Daily Forward whose advertising manager he was at a salary of about $17,000 a year.) Whether this money was a loan or a gift is unimportant; whether Schlesinger promised Lehman the votes of the cloak and dressmakers in the coming state elections, in which the banker ran for lieutenant-governor on the Democratic ticket, is also not a decisive point. The fact remains

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that Wall Street seemed to have an interest in the rebuilding of the I.L.G.W. as a company union. And how strong that interest was was revealed a little over a year later.

For weeks before the fake stoppage of last July the Communist press, particularly the Daily Worker and the Jewish Freiheit, tirelessly exposed the fraudulent character of this so-called strike and revealed its true aims—the establishment of a strong company union and the organization of police machinery against the workers. The Communist press pointed out that the entire affair had been prearranged with the employers and that not the least part in this conspiracy was the calling of a conference by Tammany's silk-hat governor, Roosevelt, at which the sham dispute was "settled" to the satisfaction of all parties. That is, all except the thousands of cloakmakers who were driven back into a sweatshop slavery worse than ever before.

To the charges of the Communists and the militant Needle Trades Workers Industrial Union, the "socialists," led by the infamous Forward, replied with wholesale denials and their choicest abuse.

But it remained for a boss to let the cat out of the bag only two months after the glorious "strike." Speaking at a gathering of cloak bosses, Samuel Klein, manager of the Industrial Council of Cloak and Suit Manufacturers, declared, according to Women's Wear, organ of the needle trades employers:

"We began to recognize the work of labor as a partner early this year in our deliberations on a new pact with the union. . . *We do not deny that some of us knew how long the July strike was to last. The strike was part of our plan to build a rejuvenated union.*" (Emphasis mine.—A.B.M.)

The fake cloak strike was a significant event in the history of American labor. Probably never before had the bosses, the reformist labor bureaucrats, the state, the police, the capitalist press and every other anti-workingclass agency co-operated so completely in betraying workers and ruthlessly crushing every vestige of protest. It marked a great step forward of the Socialist Party and the "socialist" union betrayers on the road to social-fascism.

But if the cloak stoppage of last July was a shameless fraud, what shall we say of the similar "strike" recently concluded in the dress trade? Plans for this new conspiracy against the workers were made at the 12th convention of the I.L.G.W. at Cleveland in the early part of December. At this convention the social-fascists, apparently drunk with success, dispensed with the old camouflage of striking ostensibly to gain improved conditions for the workers. Thus the New York Times, which obligingly serves

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as an organ of the Socialist Party and its unions, writes on December 5th.

"The main objective sought by the union in the strike is to set up impartial machinery *for the regulation and 'policing' of the dress trade similar to that in the cloak industry.*" (Emphasis mine.—A.B.M.) Note that the Times itself uses the term "policing."

And no longer do the "socialist" I.L.G.W. betrayers conceal the fact that the fake dress strike has been planned together with the bosses and the bosses' state. The same news story in The Times reports that "to prevent a long-drawn-out strike after the expiration of the agreements December 31, President Schlesinger called a number of conferences last month with representatives of the employers' associations, at which the union succeeded in obtaining an agreement in principle for their cooperation in reorganizing the industry.

"The employers said they would cooperate with the union and *with any state or public agency* in the readjustment of conditions in the industry . . . *provided the union showed in the strike that it was really in control of a majority of the workers and was able to exert effective pressure on unorganized shops.*" (Emphasis mine.—A.B.M.)

The meaning of the latter part of this is clear: the employers will do their part of the job, but the I.L.G.W. must deliver the goods; it must drive out the left wing Needle Trades Workers Industrial Union, the one obstacle preventing the complete delivery of the workers into the hands of their exploiters. And it requires no subtle powers of exegesis to uncover the naked fascist meaning of the phrase: "effective pressure on unorganized shops."

And Governor Roosevelt? Finance capital's chief representative in the state government again stands ready. And here too the company union chiefs lost all shame. At the Cleveland convention they see to it that a telegram is received and read from Lieutenant Governor Lehman (the same who had previously been so generous with the cash), in behalf of Governor Roosevelt, in which he hints very broadly that the state will play its part as it did before. But lest some of the slower-witted delegates and representatives of the capitalist press fail to get this hint, Julius Hochman, vice-president of the I.L.G.W., takes pains to dispel all ambiguity. He informs the world that "it is believed that *at the psychological moment Governor Roosevelt will intervene with a proposal for the regulation and 'policing' of the industry similar to the one which brought the cloak strike to a satisfactory conclusion.*" (Times, December 5. Emphasis mine.—A.B.M.)

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Look into the blackest annals of American labor treachery and see how many instances you can find of such an exhibition—a leading official of a trade union publicly announcing that a strike is being called according to a pre-arranged plan with the bosses and the government for the purpose of establishing police machinery in the industry!

And it is therefore with more than usual satisfaction and authority that The Times, Wall Street's chief organ, declares editorially (December 6):

"... it should be recalled that in the garment industry a strike nowadays is fast ceasing to be an unfriendly act. It is rather a brief suspension of domestic activities as part of the process of thoroughly cleaning house. Such was the very short and perfunctory strike early this year in the cloak and suit trade... The forthcoming strike *has the support of the most responsible employers in the dress industry*. Wages and hours are mentioned in the strike resolutions, *but there will be no prolonged hostilities on that score* if the main objectives of a stabilized industry and improved working conditions are obtained." (Emphasis mine.—A.B.M.)

Appropriately enough, the calling of the "strike" for Tuesday, February 4, was announced not by the Schlesinger outfit, but *by Police Commissioner Whalen after a conference with Schlesinger.*

But the social-fascists and their masters reckoned without their host. Everything ran true to form—except the workers. On the first day of the "strike" instead of the 35,000 workers that Schlesinger announced would answer the strike call, only a few thousand turned out and most of these came not voluntarily, but because they had been locked out by the bosses. In fact, so complete was the debacle of the widely-trumpeted "revolt" that Governor Roosevelt, instead of waiting a few days for the sake of appearances, hastened to send out the invitations for the previously-arranged conference at the end of the first day of the stoppage. Despite the fanfare of the capitalist press it was clear that the strike had flopped.

The employers and their union chiefs then went through the motions at Albany. Schlesinger had said that "the interests of the legitimate manufacturer and of the union were identical" (Times, February 7). He proved it. By legitimate manufacturer he meant all those who are members of the employers' associations. At the conference Schlesinger admitted that "most of the provisions of the agreement which expired on the first of the year had been a dead letter for a long time" (Times, February 8). He then proceed to give the bosses an agreement which, even if they live up to it (which they won't), gives them everything they want and means a complete abandonment of the 40-hour, five-day week. The

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New York Times (February 11) after quoting as one of the provisions of the agreement: "strict enforcement of the 40-hour week," cites the following:

"No changes in wage scales except overtime rates. Time and a half for overtime on Saturday for piece workers. Single time for piece workers and double time for week workers in overtime operation during the week."

In other words, though the 40-hour week will be "strictly enforced," overtime without limit will be permitted, while piece workers, who form the overwhelming majority in the industry, will be paid *single time* for such extra work during the week. And this at a time when thousands of dressmakers are walking the streets unable to find work!

Schlesinger has done the job: he has given open and official sanction to the sweatshop.

But "one woe doth tread upon another's heel, so fast they follow." Not only did the dressmakers fail to respond to the social-fascist "strike," but dissensions arose among two of the employers' groups, the contractors and jobbers. The jobbers' group was from the first intractable: the contractors' association is weak, so why should the jobbers bind themselves not to make the best bargains they can outside the contractors' group? With Schlesinger's whole social-fascist edifice thus threatened with collapse, Wall Street's energetic representative, Lieutenant-Governor Lehman, was once more hastily called in and he managed to patch up an agreement which means practically nothing, since both groups are permitted to deal with independent employers who are not parties to the agreement with the I.L.G.W. Since the third employers' group, the "inside" manufacturers, employ only a small percentage of the workers, it is evident that even the betrayal agreement arranged by Schlesinger is hardly more than a scrap of paper, binding on no one.

To sum up: in contrast to the cloak "strike" of last July, the fake dress stoppage of February, despite "the sympathy of the inside employers" and "a very benevolent interest on the part of the state and city officials" (Norman Thomas, New Leader, February 22), resulted in serious losses for the I.L.G.W. This can only in part be explained as due to the weakness of the bosses' associations and internal dissensions among them. The real reasons lie in the correct, aggressive policies, free from factional wrangling and opportunism, pursued by the Needle Trades Workers Industrial Union and in the increased militancy of the workers as a result of the worsening of their conditions during the present severe economic crisis. The appeal of the N.T.W.I.U. to all workers in shops under its control to remain at work and to all locked-out workers to join in a struggle

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for real union conditions, found a strong response, resulting in substantial gains for the left wing and in the reestablishment of the confidence of thousands of needle trades workers in a fighting union.

The question arises: why the deep interest of the capitalist state and city officials—Governor Roosevelt, Lieutenant-Governor Lehman, Mayor Walker—in the needle trades industry and its company union, the International Ladies' Garment Workers? Why the great concern of these representatives of big capital with the welfare of the small manufacturers of the ladies' garment industry?

The answer to this question involves one of the essential features of capitalism in the imperialist era: the growing dependence of industry on the banks and the fusion of industrial with bank capital. And "the close connection between the banks and industry is completed by the close connection of both with the state." (Lenin: "Imperialism," Chapter II). Governor Roosevelt doesn't care a row of beans for the needle trades employers, but he cares a great deal for his masters, the Wall Street bankers, to whom the needle trades employers are bound by a thousand ties. And with the insertion of a direct representative of finance-capital, Col. Lehman, into the state government as lieutenant-governor, the union of industry, the banks and the government has been made stronger than ever.

Wall Street's reorganization of the ladies' garment industry, which has for its purpose the strengthening of its control, has been in three directions:

1. The organization of strong employers' associations in the various branches of the industry to drive out the competition of smaller independent manufacturers, thus effecting a greater centralization of industrial capital dependent on the Wall Street banks.

2. The organization of a strong company union, the I.L.G.W., as an instrument for throttling and diverting into impotent channels the increasing discontent of the workers, and also as a threat against those employers who refuse to join the bosses' associations or who sign agreements with the left-wing union.

3. The establishment of coercive policing machinery in the interests of the employers under the guise of an "impartial" commission to "regulate the industry."

All this bears a strongly fascist character. Like all fascist tendencies, it is a product not of the strength of American capitalism, but of its fatal weakness. The reorganization of the ladies' garment industry along fascist lines and the social-fascist rehabilitation of the I.L.G.W. *coincided with the development of one of the most acute crisis in the history of American capitalism.* And the new "rejuvenated" I.L.G.W. is not simply a reformist union of the old class-collaborationist type. Nor is it an ordinary company union

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such as the I.R.T. Brotherhood. It differs not merely in degree, but in essential character from these. By its close connections with the police and other repressive agencies of the capitalist state, by its terrorist role in the shops it has itself become incorporated into the capitalist machinery of coercion and transformed into a highly developed social-fascist organization.

Wall Street's policy has been only partly and temporarily successful and in the dress industry has received a serious setback. Here the hope of building up strong employers' groups to drive out the competition of the small independents went glimmering when the workers ignored Schlesinger's strike call, thus causing the jobbers' association to refuse to bind themselves to send work only to members of the small and feeble contractors' group.

The changed character of the I.L.G.W. foreshadows the role that it and similar "unions" will play in the new war that is already stirring in capitalism's womb. In addition to their other qualifications, the "socialist" chiefs of the I.L.G.W. have already shown themselves ready to enroll in the espionage service of the United States government. During the dress strike conducted by the Needle Trades Workers Industrial Union in the early part of 1929, the notorious Edward McGrady, representative of the A. F. of L., offered the services of the I.L.G.W. to the Departments of Justice and Labor. Specifically, McGrady offered to send the names of all shops signing agreements with the left wing union to these government spy agencies which are always grateful for opportunities of persecuting militant workers. There is no doubt that the I.L.G.W. will yet prove more obliging as the needs of its masters increase.

And the "left" social-reformists, the so-called progressives of the Conference for Progressive Labor Action which is dominated by the Socialist Party? The difference between them and the "police-socialists" of the I.L.G.W. is largely a matter of vocabulary. While with his right hand A. J. Muste, leader of the "progressives," gives the A. F. of L. a few gentle taps on the wrist, with his left hand he blesses the social-fascists of the I.L.G.W. and cites as one of the "indications of the forward movement" of American labor "the rebuilding of the International Ladies Garment Workers Union" (N. Y. Times, December 29). One can judge the Musteites' militancy by their paragon of "militant unionism," the Amalgamated Clothing Workers. The history of this once progressive union is instructive. Organized in 1914 as the expression of the revolt of the rank and file against the hopelessly corrupt and reactionary officialdom of the United Garment Workers, it has during recent years been transformed into the archetype of what is probably the most subtle form of class collaboration ever developed in this

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country. The A.C.W. has in addition been a trail-blazer of social-fascism and the I.L.G.W. has learned much from it. The fact that Sidney Hillman, president of the A.C.W., is the trade union messiah of the Musteites and the Socialist Party indicates merely that he is, to use the incomparable phrase on which Marx impaled Thiers, "the most consummate intellectual expression of their own class corruption."

Not all the thunder on the left of the Muste group can drown out the black betrayals of the Elizabethton and Marion textile strikes, led by the United Textile Workers, an A. F. of L. union in which the fake progressives play a leading role. And not all their voluble piety can conceal the explicitly social-fascist character of the behavior of certain of the Musteites in the South. Two examples will suffice: When a gang of mill thugs raided the rooming house in Elizabethton in which Bill Dunne and other organizers of the National Textile Workers Union were living, threatening them with violence, William Kelley, a vice-president of the U.T. W., was recognized as a member of the mob.

Example 2: testifying at his trial on the charge of instigating a riot, Alfred Hoffman, U.T.W. organizer in Marion, "disclaimed any knowledge of the use of dynamite and offered an explanation that, when the alleged dynamiting occurred, *a group of Communists and officials of a national detective agency were in Marion.*" (N. Y. Times, November 27, 1929. Emphasis mine.—A.B.M.) incidentally, according to The Times, "J. F. Pleasants, City Councilor of Durham, N. C., and A. D. Briengler, superintendent of the Durham Police Department identification bureau, appeared as character witnesses for Hoffman"!

Like their "right wing" I.L.G.W. colleagues, who pretend to have some difference with them, unity with the police and other government agencies against the workers and their most militant vanguard, the Communists, is the actual practice of the "left wing" Muste group.

II

> "Newspaper accounts show *needless and stupid* police brutality in dealing with Saturday's Communist demonstration. *Why unnecessarily gratify Communists' mania for martyrs?*" (Telegram of Norman Thomas to Mayor Walker after the Tammany clubbing orgy at the protest demonstration on January 25 against the murder of Steve Katovis. Emphasis mine.—A. B. M.)

The Socialist Party has during the course of the past year also undergone a "rejuvenation" on the political field. This "rejuvenation" has been loudly and exultantly proclaimed not only in the

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S. P. press, but in the big bourgeois newspapers as well. The "rejuvenation" process found concrete expression in the municipal elections in New York City last November, when Norman Thomas, S. P. candidate for mayor, received nearly 175,000 votes. Only a year before Thomas, running in the national elections for president, had polled only about 35,000 votes in New York, one-fifth of his 1929 figure. Part of the increase may be accounted for by the fact that an opposition party would tend to be stronger in a local than in a national election; part of it was undoubtedly the result of a shrewd exploitation of Thomas' personality (an election leaflet of the S. P. carried as its slogan: "Vote for the Man—Not the Party"!) But undoubtedly the greater part of the increased vote was due to the conscious building up of the Socialist Party by the capitalist class. This was evidenced in the unparalleled publicity given the S. P. by all the capitalist newspapers, including Wall Street's chief organ, The Times, reaching its climax when for the first time in its history a section of the bourgeois press in the stronghold of American capitalism openly endorsed a candidate of the Socialist Party: the Tammany World and the Telegram, which had supported Hoover in the national elections, both urged their readers to vote for Norman Thomas. In addition, Thomas was endorsed by the Citizens Union, an organization which includes many leading open-shoppers.

As in the case of the "rehabilitation" of the I.L.G.W., it is significant that the "rejuvenation" of the Socialist Party coincided with the maturing of the present sharp economic crisis that is shaking American capitalism to its foundations. It is a sign not of the strength of the Socialist Party, but of the weakness of the capitalist structure. It indicates, moreover, how deep and inexorable is that whirlpool of world economic crisis into which American capitalism—the strongest, the most arrogant, the most "independent"—has been swept. And in the hour of crisis the American capitalist class, like the capitalist class of other countries, is preparing to call upon social-democracy to save it from destruction.

But it is no longer the same social-democracy that betrayed the workingclass and international Socialism during the last imperialist war. It is a social-democracy that is developing under the tremendous pressure of the increasing contradictions of the third period of post-war capitalism, contradictions that are being reproduced on a vaster and vaster scale and are forcing capitalism along the desperate road toward fascism and war. And social-democracy too, in the United States as elsewhere, is being forced along that desperate path.

The American Socialist Party has not yet had the incomparable

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opportunities for social-fascist repression of the workingclass that have been afforded certain of its brother-parties in Europe. Consequently we find its social-fascist tendencies less concretely expressed on the political field than in those trade unions where it has won power. But wherever the capitalist class has given it a "tryout," the S. P. has invariably made good: the "socialist" municipal governments of Milwaukee and Reading, Pa., have not shamed the tradition of Mueller and MacDonald. In Milwaukee, one of the worst open-shop cities in the country, the recent unemployed workers' demonstration was clubbed by the police and workers arrested as in other 100 per cent American cities. Reading, where the "left" socialist and Musteite, James Maurer, is a member of the City Council, is not behind Milwaukee in its devotion to socialist ideals. It cooperated excellently with the would-be executioners of the Gastonia prisoners by having its "socialist" police arrest workers who were collecting funds for the defense of the seven victims of mill owners' justice.

And is it a far cry from Zorgiebel's May Day bloodbath to an editorial that appeared in the New Leader, weekly organ of the S. P., on May 25, 1929, defending an attack by the Tammany police on a group of workers? The police, enraged by a sign: "Down with Walker's Police Brutality" that was hung outside the Communist Party headquarters on Union Square, had attacked the workers gathered outside the building, ferociously clubbing defenseless men, women and children, and arresting more than a score. The New Leader editorial, headed "A Stupid Demonstration," was as follows:

"The parade of the New York police on Saturday was the occasion for an asinine demonstration by the Communists. A huge provocative banner displayed from their building carried an inscription calculated to enrage the marching men. In the disturbance that accompanied the removal of the banner by the police, a few Communists were clubbed and some wholesale arrests were made. The Stalinite generals appeared to enjoy it and were prepared with photographers to visualize it with pictures.

"*. . . a sweeping attack which includes all the men in the service is absurd and unjust. There are patrolmen who have not lost their sympathy with the workers and a policy of baiting them displays a bovine intelligence* . . . The stupid demonstration in Union Square shows that Communism is a pathological disease to be avoided." (Emphasis mine.—A.B.M.)

Here is a document of a thoroughly social-fascist character. Defense of the police against the workers, ideological justification of police savagery, a demagogic attempt to differentiate among these

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hired bloodhounds of the capitalist state by setting up a metaphysical distinction between "good" policemen and "bad" policemen, between policemen who are "hostile" to the workers and policemen "who have not lost their sympathy (sic!) with the workers." Is it a far cry from the Zorgiebel who shoots down workers demonstrating in the streets of Berlin to the budding Zorgiebels who are itching to do the same thing in the streets of New York?

In the municipal election campaign the Socialist Party showed itself thoroughly consistent in its solitude for the police. Its criticism of the Tammany police department was based largely on a desire to improve the "efficiency" of the police, and its chief quarrel with Police Commissioner Whalen was that he was responsible "for the low morale in the rank and file of the city's police officers" (New Leader, October 26.) The S. P.'s attitude toward the police was vividly summed up in a cartoon carried by the New Leader of October 26, entitled "Free the Police—Let Them Do Their Duty." This was a touching drawing of a policeman, bowed and forlorn, one arm tied behind him by ropes labelled Republican and the other by ropes labelled Democratic. In an enclosure entitled Protection stand the Strikebreaking Gunman, the Poison Liquor Runner, Dope Peddler and Apartment House Burner, laughing gleefully and thumbing their noses at the unfortunate cop. He of course is aching to make short shrift of these "enemies of society." Especially would he like to get after the Strikebreaking Gunman who thumbs his nose with particular insolence. But—his hands are tied, he is reduced to impotence, to this pathetic caricature of "law and order" by the naughty Democratic and Republican parties. The moral of this "socialist" fable is: vote for Norman Thomas; he is the Moses who will lead the oppressed police out of bondage.

This drawing is not merely an epitome of the Socialist attitude toward the police. It symbolizes the new social-fascist orientation of the S. P. No longer is it labor in chains. The symbol of the Socialist Party has become the police in chains. Those workers who have felt the clubs of the police descend on their heads on the picket-line, or the hooves of their horses dig into their shins during demonstrations have been cheated out of their rightful heritage by the villains of Tammany Hall. Place the Socialist Party in power and the clubs of the free and untrammeled police will descend on workers' heads with even more savage ferocity, and the horses of the liberated mounted police will plunge through workers' demonstrations with exemplary fury!

(*to be continued*)

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Notes on the Strength of American Capitalism

By Erik Bert

I.

A REVIEW of certain of the main features of the development of American finance-capital[1] during the past several years shows in some detail the several forms which the inherent contradictions of capitalism have assumed in that period. An analysis of these forms demonstrates just how foul is the basis on which American capitalism has developed. It reveals the depths of petty-bourgeois intellectualizing to which those have sunk whose comprehension of the present state of American capitalism is comprised under the slogan "the strength of American capitalism."

The facts of the past few years' development of American finance-capital can be included under the following three heads: (1.) the unprecedented extent of parasitic growths in the credit system, (2.) the means by which the capitalist economy in the United States found it possible to dispose of the goods that its factories turned out, and (3.) the international repercussions of both the foregoing. These facts as a whole show not only the contradictions in which American capitalism finds itself but also the strained efforts that have been made to solve these contradictions. These efforts have, however, served to accentuate the more the contradictions they were aimed to resolve.

II

The stock exchange crash brought to a close (chronologically) a period of speculative frenzy whose beginning can be dated back roughly to 1923. For the purpose of our analysis we shall pass over the earlier years and commence with the situation as it existed in the summer of 1927. The danger existed at that time that

1. The growth of monopoly and its relation to finance-capital during the post-war development of American imperialism is one of the important features of the development of American finance-capital, the discussion of which has been omitted in the present article. It has been reserved for later analysis. Insofar as it has consisted in security speculation, etc., it can be considered to be included in that part of the present discussion. Its basic significance is given by Marx in a paragraph which we reproduce in a footnote to page 324.

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further gold imports from Europe would not only hinder the rehabilitation of European currencies but would put a serious obstacle in the way of American exports in the fall. Either occurrence would have placed an added pressure on the business situation in the United States which even then was beginning to show signs of recession. The Federal Reserve tried its hand. It decreased the buying rates on acceptances, the rediscount rate was reduced from four to three and one half per cent, and the Federal Reserve went into the market and bought government securities—$320,000,000 worth—between July 27 and November 16, 1927. In December they ceased their benificient activities. The situation had become critical. The policy of loosening credit had increased the tempo of speculation dangerously. The only logical policy now seemed to be the reverse of what had been pursued from the summer through the fall of 1927. During the first half of 1928 the policy was reversed—government securities were sold, that is, credit was withdrawn from the market and the discount rate was increased. In the fall of 1928 there arose again the probability that tight credit conditions would hinder trade which at that time of the year generally requires increased credit facilities. The Federal Reserve went into the market and incrased its holdings of acceptance by $300,000,000—increased, in other words, the volume of credit available to the money market by that amount and eased money conditions. In 1929 the Federal Reserve Board met, talked and did not at any time know where either it or the economic situation was. The unprecedented extent and tempo of stock market speculation seemed rotten to any sane being. So intimately, however, was this stock market speculation bound up with the entire economic structure that the Federal Reserve stated quite frankly that although speculation had attained insane proportions, it—the Federal Reserve—would not say that security prices were inflated. Such was the position of the most important organ of American finance-capital in the face of the most obvious and extensive inflation the stock market has ever known. So the Federal Reserve followed the path of sitting tight, talking and raised the discount rate in August 1929 to 6 per cent.

During the whole period the Federal Reserve system attempted by successively loosening and tightening credit the impossible task of making credit easier for "legitimate" business uses and not for speculation—or, to put it more generally, of separating "productive capital" from "speculative capital."[2] The hesitancy in increasing

2. Lenin in his "Imperialism" in discussing the book of E. Agahd "Great Banks and the World Market" points this out. "The author divides the capital of firms belonging to this group (the great Russian banks) into (1) produc-

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the rediscount rate during the early half of 1929 came from the fear that such action would in the first place put a horrible crimp into our "prosperity" by increasing the cost of doing business and secondly would stimulate the drain of money capital from Europe to be lent in our call money market. This latter would on the one hand stimulate further the insane whirl on the American stock market and on the other hand would increasingly demoralize credit conditions in the principal European states. These were not only fears but realities, for the continued high level of the discount rate was already increasing the cost of doing business by increasing commercial money rates and was draining money capital from Europe. The anomaly of the situation from the point of view of the "normal" functioning of the capitalist economy was summed up in the words "the call rate, not the bank rate, is the king today."[3] This was one evidence (we shall come across several others) of the fact that capitalist economy when it functions most "efficiently" by its own standards—profit making—passes imperceptibly into the realm of unequivocal gambling. In the last "bull market" this gambling was to a degree gambling in a "new era" though not the "new era" the scribblers of the bourgeoisie thought it was.

III.

Security issues were flung on the market in monstrous quantities. The following data of the issuance of new corporate securities during the past five years illustrate this spectacularly.

	New Capital	*Refunding*	*Total*
1929	$8,649,439,560	$1,386,921,569	$10,036,361,129
1928	6,079,602,416	1,738,274,615	7,817,877,031
1927	5,391,008,544	1,928,187,260	7,319,195,804
1926	4,357,002,750	942,550,970	5,299,553,726
1925	4,100,725,167	637,384,524	4,738,109,691

These increased quantities were floated on the basis of vast quantities of credit made available for stock market use by the banks, by corporations, individuals, and for foreign account in the form of security loans, particularly call loans. As a result of the vast quantity of gold heaped in the United States, the banks had available for use a vast volume of credit. The country's commercial

3. National City Bank Letter, April 1929, p. 56.

tive capital engaged in industrial or commercial undertakings; (2) speculative capital reserved for stock exchange transactions and financial operations. Holding to the petty-bourgeois reformist viewpoint natural to him, E. Agahd thinks it is possible, while keeping the capitalist system, to distinguish these two kinds of investments and to do away with the latter." (p. 38, Chap. III).

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credit needs fell far short of utilizing these credit resources to the utmost and they were available in consequence for stock market and other speculative use, including a real estate boom which reached its high spot in Florida in 1926.

With the development of the stock market boom there came a rapid increase in the volume of credit used for the purpose of buying securities, that is, credit with securities as collateral. The following figures give some indication of this growth.

	Total Brokers Loans Unit $1,000,000				*Brokers Loans for Account of Others* Unit $1,000,000			
	1926	1927	1928	1929	1926	1927	1928	1929
Jan.	3,126	2,778	3,802	5,408	585	741	989	2,434
Apr.	2,467	2,866	4,062	5,477	528	806	1,245	2,893
July	2,607	3,096	4,232	5,841	646	877	1,744	2,992
Oct.	2,698	3,392	4,701	6,498	726	963	2,048	3,602

Of particular interest in the growth of security collateral loans was the growth of that part of them designated in the returns of the Federal Reserve System as "Loans for Account of Others." These "others" who have money to lend for stock market use include corporations, individuals and foreign banks—in other words all other but domestic banks. As the pace set by security prices and new issues became ever more dizzy, the demand for collateral loans (i.e. call loans) raised the interest rate on that type of loan appreciably above the commercial rate. Corporations discovered that it would be more profitable to lend their surplus cash funds at call than to invest them in increased production facilities. American capitalism was led to the conclusion that it could increase its profits more by diverting its money capital into the stock market in the form of call loans than by permitting it to remain in the processes of capitalistic production or circulation where surplus value, the only source of profits, is respectively created and realized. In other words, American capitalism, as a whole found it "possible" to increase its profits without increasing surplus vaule.[4] The obvious insanity of such a conclusion is evidence enough of the parasitism

4. "Two natures, then, are immament in the credit system. *On one side, it develops the incentives of capitalist prodhction, the acchmulation of wealth by the oppraprіation and exploitation of the labor of others, to the purest and most colossal form of gambling and swindling*, and reduces more and more the number of those who exploit the social wealth. On the other side, it constitutes a transition to a new mode of production. It is this ambiguous nature, which endows the principal spokesmen of credit from Law to Isaac Pereire with the pleasant character of swindlers and prophets." (Our emphasis E. B.) Marx, Capital, Vol. III, p. 522.

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which is inherent in the functioning of the capitalistic economy and which becomes the more obvious as the system functions "better" —in the periods of "prosperity."

THE GUARANTY SURVEY, organ of the Guaranty Trust Company, in its issue of February 25, 1929 in commenting on the vast amount of credit being devoted by "others" to speculative purposes and the possible results of the prohibition of the diversion of credit for such speculation said, "Another (result of the prohibition of the lending of money on call by non-banking institutions) would be to produce an unduly rapid expansion of industrial equipment—a condition that would probably bring about more unfortunate consequences than even the most pessimistic observers anticipate from the present situation." In other words, capitalism was then in a situation where any substantial increase in its productive activity through the utilization in the processes of capitalistic commodity production of the vast amounts of credit available, would tend to bring the whole "prosperity" on the rocks much sooner than otherwise. This parasitism was therefore not only a necessary consequence of our "prosperity" but was one means by which "prosperity" was maintained a while longer. "Prosperity" contained within itself its own contradiction—the limited market with the possibilities of greatly increasing production—increased production would have hastened the development of this contradiction.

V.

Security prices kept on mounting. Capitalists—big and little—and the scrimy petty bourgeoisie saw that they could make money by buying at 90 and selling at 120, by buying at 150 and selling at 250. A "new era" had come for them, where they bought at any price and sold out up in the sky somewhere—or so they thought and hoped. (The ideologists of capitalism formulated the "new era" idea that was begot of American "prosperity" and bourgeois greed into reputable, i.e. academic, language.) It happened even in the best worlds that the bourgeoisie bought at 90 and was sold out at 60 or bought at 200 and was sold out at 75, etc. That they would avoid.

In the form of the investment trust they had the medium which would prevent such untoward violations of the "new era" secular trend that went on to the sky as its only limit. The sky as the

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It would not be belittling to either Law or Pereire to add to the list of swindlers and prophets those who distinguished themselves especially in gaseous loquacity in the past few years in the forum of American finance-capital.

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limit was designated in the jargon of the stock market as "future profits." The investment trust was wondrous in a two-fold manner. Instead of buying a few securities himself, the investor bought the shares of the investment trust which, in turn, with the funds of thousands of investors at its disposal, bought a wide variety of securities (or should have). This widespread buying by the investment trust provided a diversification that the ordinary investor couldn't get through his own purchases of various issues. It cut the chances of loss to the extent that it diversified. In addition, since most investment trusts were organized by the racketeers of Wall Street—that is, investment bankers, brokers, banks, etc.—the investor could feel sure that the investment trust would pick only the stocks that were going up particularly those that were going up the fastest. The investment trust was a fool proof means of participating in the profits of the stock market boom. Over 20 per cent of the total of new corporate issues put out in 1929 were of the investment trust-trading-holding company category.

New Corporate Issues in the United States

	Inv. Trust, etc.	Total	Per Cent
1929	2,223,730,898	10,036,361,129	22.15
1928	790,670,670	7,817,877,031	10.11
1927	174,906,978	7,319,195,804	2.39
1926	71,100,000	5,299,553,720	.74
1925	15,070,000	4,738,109,691	.32

The growth of the investment trust during the past several years is a characteristic of the development of American imperialism. Its extremely rapid growth during the past two years is characteristic of the "prosperity" period of American capitalism in the third period—in which profits piled up rapidly in the stock exchange and in which the investment trust appeared to be the mechanism par excellence to get a share of all of these profits. The prices of investment trust securities have gone the way of all paper values. The investment trust has ceased to function as the medium to grab stock market profits—it remains as an integral part of the development of American imperialism in the absorption of foreign securities and as a means for diversifying the holdings of the individual capitalist.

VI.

The contradictions of this period have been reflected in the means that have been used to get rid of the goods that "prosperity" has produced. Not only has the stock market boom been the result of American "prosperity" but it contributed a great deal to the growth and maintenance of that "prosperity." Benjamin Anderson,

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in the Chase Economic Bulletin, the organ of the Chase National Bank, has pointed out this very important contributory element in the maintainance of American "prosperity."

"The total volume of profits from capital appreciation which the last few years have brought forth, has been very great. Part of these profits have been re-invested, but a very considerable part has undoubtedly been spent in current consumption, increasing the volume of consumer demand substantially above what it would be if securities and real estate ceased to rise" (June 4, 1928). "Consumer demand has been swollen on a great scale by profits in stocks and real estate which have accrued with the speculative developments in these fields. The Federal Treasury reports in 1928 that almost 11 per cent of the income reported for taxation in the year represented either profits in stocks, bonds and real estate, or capital net gains on assets held over two years. This percentage represents only the case of realized profits on transactions actually completed. In addition, we know very well that the successful speculator, who has large paper profits, has a tendency to increase his expenditures through drawing on his balance with the brokers, when the balance greatly exceeds margin requirements." Brokers' loans "have increased to offset these withdrawals, and thus in part represent consumers' expenditures, including trips to Europe and automobiles!"[5]

We have seen previously that the stock market boom alleviated to a degree the adverse effects which the unmitigated use of all the available credit would have had if used in commercial transactions. We see now that the speculative boom provided American capitalism with an important source of consumer purchasing power—not consuming purchasing power of the masses, but purchasing power of the bourgeoisie and petty bourgeoisie. The Guaranty Survey in the issue of February 25, 1929, which we have already quoted, after pointing out that American "prosperity" could

5. This is demonstrated especially in the income tax returns for 1928 which have just been made available. Profits taken in the stock market and in the sale of capital assets other than stocks and bonds, such as real estate, totalled $4,786,512,771 in 1928 as compared with $2,894,581,973 in 1927. The aggregate net income of individuals for 1928 totalled $24,625,488,175, an increase of $2,053,170,268 or 9.09 per cent over 1927. It is significant to note that the increase in aggregate net income of individuals is approximately equal to the increase in amount of profits taken in the stock market and in the sale of capital assets other than stocks and bonds. The returns would seem to indicate that the increases in individual income from profits on the sale of securities and capital assets were not confined to the higher income levels but extended down into the ranks of the petty bourgeoisie. (N. Y. Times, Feb. 3, 1930).

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only be maintained if the productive forces of capitalism were not allowed to function to the full possibilities offered by the latent credit available, stated that the only possible partial solution was that "If the purchasing power could be returned to individual investors either through dividends or through the retirement of the underlying securities, with the assurance that the bulk of it would be used for the purchase of goods for consumption, the results might be beneficial."

It was this increase in (capitalist) consumer purchasing power arising out of the stock market phantasmagoria that built an important part of the basis for American "prosperity." "But such a solution is manifestly out of the question," added the Guaranty Survey. Such a "solution" was impossible because it did not solve the contradiction between the purchasing power of the working masses and the volume of goods they produce, it *could* not solve that contradiction which is inherent in capitalism, that contradiction which is the expression of capitalism.

VII.

One other means by which American capitalism managed to get its goods sold was by means of installment selling.[6] Automobiles, radios, refrigerators, furniture, vacuum cleaners, clothing, etc., were the chief commodities which were thus disposed of and to such a degree that the respective industries producing them have not only been stimulated by installment sales but at the present time are absolutely dependent to a greater or less degree on installment selling to get rid of their products at all. It is estimated that the total volume of installment sales for 1928 approximated eight billion dollars. It is further estimated that of the total installment sales, 20 per cent are of household goods, and that 80 per cent of all phonographs are purchased on the installment basis, 75 per cent of washing machines, 65 per cent of vacuum cleaners, 50 per cent of pianos, sewing machines, radios and electrical refrigerators. (N. Y. Times, Feb. 1930) This in addition to the fact that automobile production during the past few years has been maintained largely by installment sales—60 per cent of total auto sales having been made by that means.

The basis of this rapid expansion of installment selling was the vast volume of credit available for American capitalism in the post war years. American capitalism was able to add installment selling to its repertoire because it had available the necessary bank credit

6. Comrade Ross has outlined the most important developments of the growth of installment selling in *The Communist* of December, 1928.

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which installment selling necessitated. Installment selling was one of the means by which finance capital put into profitable use the credit at its disposal. Installment selling added a new feature to the functioning of the capitalist credit system.[7] Hitherto the capitalist use of credit in industry and commerce has been such as to cut down the elapse of time among the various sections of the capitalistic processes of production and distribution. (This has not, of course, excluded contrary tendencies through the "cornering" of commodity markets.) The function of credit in this sphere is to permit the reproductive process to continue in the period between the time when the goods have left the productive process and when they are finally dispossed of to the consumer. Installment selling has thrown the use of credit beyond the point where the consumer pays for commodities out of his current income. It has therefore, occasioned some misgivings among the bourgeois ideologists.

Benjamin Anderson, for example, states that he is not "disposed to be doctrinaire in commenting upon a moderate use of bank credit for consumption purposes as represented in the financing of installment buying, though this obviously stands at the opposite pole from the conversion of income into capital. When commercial bank credit is used to finance consumption we have not merely the conversion of present capital into income, but even the hypothecation of future capital for current income. As a minor factor in the commercial bank credit situation, this is manageable, but it obviously cannot become a very important element in the situation without standing things on end." (Chase Bulletin, November 8, 1926).

Installment selling increased *present* consumers' purchasing power. It concentrated consumers' purchasing power of the future into the present. The credit system has been extended everywhere to cut down to the minumum the time element ascribable to the mechanics of *commodity* production. The function of the credit system in the process of circulation is to get commodities to the retail stage in the least possible length of time aside from that which production, transportation, etc. entail. Installment selling has not been able to increase the totality of consumers' purchasing power. It constitutes the final link in the credit system. It is the link which reveals the impossibility of overcoming the contradiction between the purchasing power of the masses and the volume of commodities they produce, through the medium of the credit system. American capitalism has tried to lift itself by its bootstraps

7. This fact has been neglected almost entirely in discussions of installment selling. In Com. Ross' discussion this was also the case.

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through installment selling. It did increase *present* purchasing power. It did nevertheless aggravate the basic contradiction of capitalism.

VIII.

In the functioning of the international exchange mechanism during the past several years can be seen the insoluble contradictions in which world capitalism finds itself in the third period and, particularly, the inextricable manner in which American capitalism is bound up with world capitalism. The bourgeoisie hoped, that once the stabilization of the European currencies had been accomplished world capitalism could function "normally." The facts of the functioning of the international exchange mechanism during the past few years lead inevitably to the conclusion that in the third period there is no "normal" functioning of the exchange mechanism, that there can be no "normalcy" in this functioning. Any semblance of "normalcy" can only be a cloak for an undercurrent of contradictory forces which must break forth into an even greater distortion of this "normalcy."

The shifting of the economic center of the world to the United States has as one of its chief aspects the vast amount of commodities which American capitalism has been forced to export during the past decade. The ability of American capitalism to accomplish this was on the one hand a prime cause for our "prosperity" and on the other of predominant importance in maintaining the chronic state of industrial and commercial depression in Europe. This was accompanied in the domain of finance capital by floatation of a vast volume of foreign securities in the American securities markets.

The speculation in the stock market in the years 1927-29 brought with it a great increase in the volume of stock issues as compared with bond issues since the ownership of stocks would permit the American bourgeoisie to participate in "future profits" whereas the ownership bonds would give him only a constant income. Bonds offered only a fixed participation in the surplus value of which the American working class was being exploited whereas stocks would permit a pro rata participation in all the surplus value the capitalist class thought it could press out of the working class in the Coolidge-Hoover era of "prosperity" in the "future."

There was no "prosperity" anywhere in the world akin to ours. The primary form of foreign loans is bonds. The American capitalist class didn't want bonds—not even American bonds—in the stock market boom. And the rest of the world didn't have any "prosperity" that the American capitalist class would want to participate in through the purchase of foreign stocks.

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In 1928 and 1929 there was a substantial decline of foreign financing in the United States as compared with the peak in 1927. Foreign financing in the United States in 1928 was $150,000,000 less than in 1927 and in 1929 declined to less than half of the total for 1927.

	Foreing Financing in the U. S.	*Volume of Exports*	*Volume of Imports*
1929	$779,870,286	$5,248,600,000	$4,400,700,000
1928	1,576,820,900	5,130,000,000	3,991,000,000
1927	1,724,684,425	4,865,000,000	4,085,000,000
1926	1,349,793,040	4,808,300,000	4,431,200,000
1925	1,307,307,500	4,909,800,000	4,226,600,000
1924	1,244,795,765	4,591,100,000	3,609,900,000

There was no concomitant decline in the volume of American exports. The export trade balance for the first quarter of 1929 of $295,167,000 was the largest for any corresponding quarter since 1921. This was probably the result of the fact that American capitalism strained itself to sell in foreign markets through the granting of additional short time credits. However, there was no permanent solution possible on this basis. The imperialist period of capitalism necessitates the absorption of the long time debt obligations of the debtor countries by the imperialist country which exports its surplus capital. Almost insurmountable obstacles were thrown in the way of such finance operations by the American stock market "prosperity." The result was that "in the absence of a market for foreign securities in this country the world has had no other means of settling its large adverse trade balance with us than by shipping gold, which in many cases could be ill spared from bank reserves. The impairment of foreign purchasing power thus resulting is, and must continue to be until corrected, a cloud in the background of American prosperity.." (National City Letter, July, 1929).

American "prosperity" had resulted in the unprecedented stock market boom which in turn was undermining the "prosperity" by driving American finance capital to a stage where it would not finance the export of capital.

The only means by which the adverse balance of trade could be balanced was by the release of foreign exchange and the export of gold to the United States. (The high tariff wall with which American capitalism has surrounded the internal market made impossible the settlement of this trade balance through the export of foreign commodities to the United States.) Another significant factor entered into the situation. We have discussed above the loans of "others" in our call money market for stock market

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speculation. The same high rates for call money which induced American capitalists and corporations to lend in the New York market made it very profitable for European capitalists and banks to lend their liquid capital in New York. This increased the movement of money capital to the United States, which was dangerously large because of the necessity for paying the adverse balance of trade in gold in the absence of a market for foreign securities in the United States.

The transfer of liquid capital to the United States from Europe added just that much additional credit inspiration to an already insane stock market. The chief central banks of Europe (with the exception of France, for a discussion of whose position there is not sufficient space) found their reserves being drained to New York. The obvious remedy, if they were to remain on the gold standard, was to increase discount rates in the market from which gold was being drained. Practically all of the central banks raised their rediscount rates and raised them yet again. The drain from New York continued and the successive increases only raised the differentials to a new higher level.

"In each instance the advance of the discount rate is for the purpose of raising the general level of interest rates and thereby attracting capital to the market affected, or at least inducing capital not to leave it for better rates elsewhere. Thus this general action has a competitive motive, one financial center being forced to act by conditions elsewhere, and the action of one central bank to some extent nullifying the action of another. The combined effect, however, is to bring about a general contraction of credit. Where the discount rate does not accomplish it, resort may be had to credit-rationing, i.e., an arbitrary allotment of credit as in Germany a few months ago." (National City Letter, October 1929.)

These increases in interest rates tended to depress further economic conditions that were already generally depressed. The Bank of England, in particular, struggled against the inevitable. The British capitalist class needed every aid it could get in the way of low stable interest rates if its attempts to get out of the industrial depression were to succeed. On February 7, 1929, the Bank of England increased its rate from 4½ per cent to 5½ per cent. The drain of gold to the United States continued down to the minimum fixed by the Cunliff Commission as the lowest possible with safety to the whole credit structure. On September 26, 1929 the rate was increased a whole per cent from 5½ per cent to 6½ per cent. The reserves of the bank had passed the Cunliffe minimum.

The stock market crash in New York relieved the credit strain

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all over the world and in the words of one capitalist organ, "for the first time in about two years the financial world of Europe was able once more to breathe freely." (Bond and Quotation Record, Financial Chronicle, December 6, 1929.)

SUMMARY

The foregoing analysis can be stated in summary fashion as follows:

1. The Federal Reserve System, the organ for "organizing" American capitalism, through the whole of the past several years has never been able to control the dangerous credit situation which has constituted one of the chief characteristics of the "exceptional" position of the United States in the world economy. (Of any regulative measures in the sphere of production there can, of course, be no word.) Its efforts to maintain a "normal" functioning of the capitalist economy while discouraging its concomitant (and inherent!) parasitic development only served to make somewhat uneven the rapid acceleration and the step-up to a higher plane of this parasitism. ("Parasitic" as used throughout signifies the striving inherent in capitalism to make profits at a greater rate than the current degree of exploitation of the working class permits. This is characteristic of "boom" periods where prices go skyward and profits are "made" hand over fist. The period just concluded was peculiar in the extent of this profit making and in fact that it occured not in the sphere of production nor even in the commodity (non-security) markets but on the stock exchanges of imperialist America.) The Federal Reserve System demonstrated the impossibility of preventing the transition of the "normal" functioning of capitalism into its higher self-unequivocal gambling.

2. The rise of the investment trust to its present importance in finance capital was accelerated by the stock market boom. Its functions in the sphere of finance capital are twofold. It facilitates the absorption of foreign securities which are the reflection of the export of capital and it permits pro rata participation in all of the surplus capital produced by the working class. In the past few years the investment trust was an outstanding means also of participating in profits not exploited from the working class—paper profits. It was a main factor in this sphere of finance capital parasitism.

3. American "prosperity" was maintained in large part through the consumers' (bourgeois and petty bourgeois) purchasing power generated and made possible by installment sales. In the stock market "paper profits" became a significant factor in permitting

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American capitalism to get rid of the mass of consumers' goods turned out.

Without installment selling, made possible by the great supply of credit available to American finance capital through its "exceptional" position, American capitalism must have crashed several years since. As it was, "prosperity" lasted to the present winter with but minor disturbances It is at present not possible to distinguish the degree to which installment selling during the past few years has concentrated the contradictions inherent in capitalism nor the degree to which it is aggravating the present depression. Installment selling attempted to overcome the growing disparity between the domestic market and the productive forces of American capitalism. It only served to delay, to dam up that growing disparity—to the present. Installment selling cannot increase the purchasing power of the masses permanently—it served only to anticipate future consumers power. It cannot anticipate permanently or even farther into the future this consumers' power. Such a development would imply the production of goods for use. That is basically a contradiction of the capitalist economy where goods are produced for surplus value that the working class has put into them of which it is exploited

4. American imperialism has found it necessary to an ever greater degree to find abroad the markets for the goods which the domestic market cannot consume. The media of such capital transfer are the foreign securities sold in the American market. As the boom in the stock exchanges progressed the sale of foreign securities in the United States became ever more difficult. Our favorable balance of trade had to be paid in gold. The participation of European capitalists in the fruits of high rates in the call market and in security speculation here added to the drain of liquid capital from Europe. This drain stimulated the hectic frenzy in the stock markets of American capitalism and drove foreign economic conditions one peg lower than the chronic state of depression which characterized their "exceptional" position. American "prosperity" came dangerously close to wrecking the currency stability that the capitalist class had built up with such strains in Europe in the early post-war years.

The present crisis mocks in horrible language those who would blabber of organized capitalism or of the "strength of American capitalism." The whole structure of American capitalism has shown itself to have been built on the same contradictions on which world capitalism rests. The "exceptional" position of American capitalism has accentuated these contradictions through the hothouse growth of stimulants possible to the capitalist class of the

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United States through the vast credit facilities concentrated here with the shift of the economic center of gravity to this country.

The deflation of the domestic purchasing power means that the domestic market is and will continue much narrower than that which prevailed during the immediately preceding several years. This constriction of the domestic market means that only abroad—if anywhere—can there be found the markets that American capitalism needs.

It appears likely that foreign financing will in 1930 be substantially above the low figures of 1929. Foreign financing is a corrallary to the export of capital. The export of capital will not increase sufficiently to account for more than a slight fraction of the shrinkage in the American domestic market through unemployment for the proletariat and low prices for farm products. More though—a large proportion of foreign financing will be for European account. Capitalist Europe will float loans in America to rationalize its industries not only to drive American competition out of the European markets but to dispute bitterly every non-European market, those markets which are the other possibilities of the export of American capital.

Foreign markets mean war for American capitalism. War on the American working class to produce cheaper, war against the other imperialists, war against the Soviet Union which is the greatest market closed to the exploitation of capitalism. The American working class will know that it is war the third period means and will fight this war to a finish against the capitalist class and for a dictatorship of the proletariat.

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The Political Background of the London Conference

By LEON PLATT

(*conclusion*)

THE STRUGGLE FOR HEGEMONY OVER THE DOMINIONS

The sharpening difference between the Dominions and the British Government directly reflects the growing antagonism between the U. S. A. and Great Britain using the Dominion as an arena for struggle. The failure of the Empire free trade movement, and the establishment of a tariff on products imported to the Dominion from the mother country, only shows how the United States is maneuvering to win the hegemony over the Dominions of the British Empire. Aside from the growing revolutionary struggle in the British colonies against British imperialism, aside from the development of a native bourgeoisie in Canada, and Australia, in the present situation, the United States cannot permit British imperialism the unlimited and undisturbed right for the exploitation of this vast territory and the millions of people residing there: The defender of American Imperialist policy, Nicholas Roosevelt, plainly stated: "If England would clearly recognize the close kinship between the United States and the Dominion, she would find it easier to work out a form of partnership which would be based not on rivalry but on the pursuit of common interest to mutual advantages." From the above it is clear that United States capitalism is demanding a share, demanding the right to become a partner with Great Britain in the exploitation of the Dominion.

In Canada today the United States has a much greater influence than England. The United States is using Canada as a good channel thru which it exerts its influence upon the entire British Empire. The growth of American influence in the Empire, simultaneously with the decline of Great Britain is best exemplified by the figures given in the chart below.

*Percentage of imports into various parts of the empire furnished by the United States and the United Kingdom:**

AUSTRALIA

	U. S.	U. K.		Gain		Loss
1913	13.7	51.8				
1926	24.6	43.4	U.S.	10.9	U. K.	8.4

CANADA

	U. S.	U. K.		Gain		Loss
1913	64.0	21.3				
1928	64.9	16.8	U.S.	09	U. K.	4.5

* N. Roonnet: America and England.

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NEW ZEALAND

	U. S.	U. K.		Gain		Loss
1913	9.5	59.7				
1927	18.0	47.9	U.S.	8.5	U. K.	11.8

UNION OF SOUTH AFRICA

1913	8.8	50.1				
1927	15.3	42.8	U.S.	6.5	U. K.	7.9

INDIA

1913	2.6	64.2				
1927	8.9	47.8	U.S.	6.3	U. K.	16.4

In all its possessions, according to this chart, we can see that Great Britain's share in commerce is continuously on the decline. On the other hand, the United States' share is continuously increasing. It is well established that the gains which American imperialism made in Latin-America and in the Empire is at the direct expense of the United Kingdom.

THE SIGNIFICANCE OF THE REVOLUTIONARY STRUGGLE IN INDIA

Among the new most outstanding factors undermining British capitalism is the growing revolutionary movement in India. The rapidly developing revolutionary situation in India involving hundreds of millions of exploited colonial people, is today being recognized by the imperialist powers themselves. British imperialism itself feels that its rule in India is continuouly becoming undermined and shaken, and the struggle for national independence under direct leadership of the Indian proletariat cannot be postponed even by the treacherous acts of the Labor Government.

The rapid tempo of the Revolutionary situation in India is being accelerated by the ever growing agrarian crisis. Even the imperialist League of Nation is calling attention to the deplorable fate of the Indian peasants. Nothing, however, can solve the agrarian crisis in India except a proletarian revolution. No reform will improve the condition of the Indian peasants. This fact is known to the national bourgeoisie as well as to British imperialism. On the other hand, however, we find that the class relation in India are more sharply developed than in any other colonial country. The heroic struggles of the textile workers, the heroic struggles of the railroad workers in India show that there is a working class being prepared and trained for leadership not only of the national liberation movement, but also in the coming social revolution. Because of all these factors, the bourgeoisie feels that the disintegration of British imperialism, the maturing of the revolutionary forces in India and the exposure of the national bour-

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geoisie and the Gandhi movement as a tool of British imperialism will have world-wide consequences.

The situation is undoubtedly being utilized by American Imperialism. The United States has set definitely for itself the task of strengthening its influence in this important and rich territory. In India, like in China, the United States, under its policy of the "open door," under the cloak of self-determination of nations, is pursuing a course of winning the Indian national bourgeoisie under its tutelage. The statement of Senator Blaine of Wisconsin that the United States will be ready to recognize the government of an independent India, is therefore of great significance. It was not merely a gesture on the part of a fake progressive, but there was expressed the policy of the State Department which is the policy of American capitalism.

FREEDOM OF THE SEAS

Since the Sixteenth Century, England won for herself the right to capture not only the ships of its enemies, but also the ships of the so-called neutral powers, to raid ships and check up on their contents, and the right of blockade. As a general rule we find in looking back at history that every country which carried on, or proposed a war with England always demanded freedom of the seas. But, what does the United States want to achieve with the freedom of the seas? The United States wants to preserve for itself the right to determine whom to support in the coming imperialist struggle for the purpose of enriching itself at the expense of all waring countries involved. Freedom of the seas presupposes that there can be neutrals in an imperialist war. However anyone who is familiar in the slightest way with warfare knows that in the time of war food, clothing, medical supplies are also war materials. No element that even in the slightest degree helps to maintain the existence of a human being could be classed as neutral in time of war. Food supplies for the women and children in the rear is part of war support. It is therefore impossible for Great Britain to accept the idea that in a time of war the United States will supply with food the population of England's enemies. Therefore the demand of the United States for the freedom of the seas is another challenge directed against the supremacy of Great Britain.

The principle of blockade is always supported by the dominant sea power, while the principle of the freedom of the seas is supported by its opponent. In the last world war the principle of the freedom of the seas was put up by Germany, even prior to the outbreak of the struggle, in the beginning of the last world

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war, however, the United States put up this principle of trading with both sides. In the coming war American imperialism however, will utilize this principle of freedom of the seas "of supplying food for the starving babies and women" as a means thru which American imperialism will try to mobilize the American masses for war. It will be one of the great hypocritic reasons which the capitalist class will play up big for the imperialist purposes of the United States.

FRANCO-ITALIAN IMPERIALIST DIFFERENCES

The struggle between French and Italian imperialism again brings to the forefront the Mediterranean question. At the first glance at the map one can clearly see the great strategic importance of the Mediterranean. At present the controversy and struggle for the control of the Mediterranean involves at least the following major imperialist powers: Britain, France and Italy. As far as Great Britain is concerned, we must recognize that the Mediterranean was one of the most important spheres of British influence. The control of the Mediterranean is of great importance to British Imperialism. Control of the Mediterranean means control of Egypt and Sudan, the security of the Suez Canal, and the guaranty of uninterrupted communication with India. Looking on the map we can see that the Mediterranean is the passageway of all British commerce, of the British navy from the mother country to its colonies, India, South Africa, Egypt and the great domain of Australia and New Zealand. For years, Great Britain continued to strengthen its naval bases in Gibraltar, which controlls the entrance into the Mediterranean from the Atlantic Ocean and the great naval base, Malta, which can keep the security of the Suez Canal. To maintain its dominance of the Mediterranean, which also means the dominance and security of its colonial empire, Great Britain always insisted that its naval power in the Mediterranean is to exceed the naval power of France and Italy combined. Any attempt to challenge that right, any attempt to disturb this equilibrium, is met with growing resistance on the part of British imperialism, and today, thru its spokesman, the Labor Government.

Of no less importance is the Mediterranean to French imperialism. At the London Conference, imperialist France, boasted of the fact that France has a colonial empire, stretching over thousands of miles, with over one hundred million population. Looking at the map we can also see that the Mediterranean is not only washing the Southern coast of France, but is the passageway of all the commercial and naval traffic between France and its colonial empire, Africa, Indo-China, Madagaskar. To France the colonial empire means not only a source of raw material, not

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only a market for its surplus products, but also a source of man power in the coming imperialist war. Today France maintains one-third of its regular army on the Northern coast of Africa. To guarantee the uninterrupted transport of soldiers from its colonies to the mother country, French imperialism built up a powerful fleet consisting mainly of up-to-date submarines with a long cruising range which is threatening the supremacy of British Imperialism and control of the Mediterranean.

The third imperialist power which is vitally interested in the Mediterranean, Italy, is today as well fighting for supremacy in the Mediterranean. All of the extensive coast line of Italy is situated in the Mediterranean Sea. However, in spite of that, Italy finds itself a prisoner between the imperialist powers of Great Britain and France. Because of lack of raw materials, lack of the most essential commodities needed by the population, it finds itself actually at the mercy of these Imperialist powers.

The imperialist struggle in the Mediterranean is particularly sharp between France and Italy. Italian fascism is absolutely dissatisfied with the division of the spoils of the last World War. The colonial empire of Italy is absolutely insignificant. The colonies which Italy controls in Northern Africa are today of very little commercial value. Under no circumstances could the present Italian colonies in Africa absorb the surplus population of Italy, which cannot find employment in the mother country and is forced to migrate to other countries. On the other hand, however, Italy sees the vast French colonial empire. Within the close reach of the mother country there lies fertile and rich territory under the control of French Imperialism. This therefore creates a situation where Italy knows that the only way it can secure more colonial possessions in Africa is at the expense of France. Italy is also dissatisfied with the settlement of the Tripolitanian border and the status of Italian born in Tunisia, as well as the status of the Italian citizens in France. In Tunisia the Italian population outnumbers the French by 3 to 1. And because of this Italian fascism insisted that Italians, born and residing in Tunisia, shall not lose their national citizenship.

The retention of citizens born of Italian or half Italian parents is important to Italy, for their national status determines which army they must join in the coming imperialist war. Tunisia, it must be remembered, is a protectorate and not a colony, therefore residence does not determine citizenship. The French, on the other hand, pursuing their own imperialist policy, are doing everything in their power to get rid of Italian schools and institutions. While the French Government is pursuing a fascist terrorist policy against

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its own working class, yet in the struggle against Italian imperialism, France permitted Anti-Fascists carry on their activities against the Mussolini regime from France.

Not making too much headway in the redivision of the French colonial empire, Italian imperialism turned its face to the Balkan countries and to the Adriatic. But here again Italian fascism is meeting the opposition and resistance of French imperialism. Between Italy and the other countries in the Balkan, there lies Jugo-Slavia, which is today a close ally and under the complete domination of France. Italian fascism is being greatly aroused by the French and Jugo-Slavic naval alliance, by the navy which France built up for Jugo-Slavia, which today serves as an impassable strait for the penetration of Italian fascism and influence over the Balkan countries. Only when we take these questions into consideration, only when we see the imperialist ambitions of Italian fascism, which is meeting with resistance from French imperialism, can we understand the policy that the Italian delegation is pursuing today at the London conference and its demand for parity.

Italian fascism, being unable to solve the contradictions of capitalism, being unable to quiten the discontent of the masses, is advocating imperialist expansion as a means to solve its contradictions and its crisis. As far back as 1927, the Italian fascist press demanded: 1) the recognition of the dominant position of Italy in the Mediterranean; 2) Italy's participation in the administration of Tangier; 3) the recognition of the statutes of Italians in Tunis; 4) the straightening of the border of its colonies in Africa; 5) the recognition of the privileged position of Italy in the Adriatic and the Balkans; 6) to get markets in accordance with the growth of the Italian population and the needs of Italian industry; 7) to reconsider the question of the mandates in Africa and in the Near East; 8) to take measures against the political prisoners of France; 9) to preserve the nationality of the Italians living in France and in the French colonies. That this is the policy of Italian fascism is definitely proven by the statement of one of the closest friends of Mussolini, Francesco Coppel, who writes in one of the leading organs of Italian fascism, the following: "Our slogan must be: our own materials from our territories which must be produced thru the labor of our own population, and this means to have colonies, a colonial empire as have England and France." He further writes: "The fate of Italy is connected with the equilibrium in the Mediterranean Sea, the position of Italy in this equilibrium depends in the decisive moment her greatness, riches, reedom and security."

Fascist Italy therefore knows that with its present naval strength

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far inferior to that of France, Italy will not be in a position to force the redivision of the world by means of war. Because of this, Italian fascism demands parity with France. Parity with France, however, is not being understood by the Italian delegation as the right of Italy to build to the same level of France. At the present time there is no treaty, even in the bourgeois sense, to prevent Italy from building the same number of submarines and cruisers as that of France. At the present time, with the sharpening crisis of Italian capitalism, and the impoverishment of the masses, Italy will not be in a position to reach by 1936 the same naval program as set by French imperialism, of having a navy of 736,000 tons. Therefore, what Italian fascism is interested in, is a reduction of the French naval strength to such a level that will permit the financial resources of Italian fascism to maintain a navy equal to that of France. No class conscious worker, and not even the bourgeoisie itself, takes seriously the statement of the leading delegate of the Fascism delegation in London, Grandi, to abolish navies, or to greatly reduce the naval strength of the imperialist powers. At the present time Italy has nothing to lose from a great reduction in the naval strength of America, England, France, and Japan. On the contrary, it has everything to gain, because the financial resources of Italian fascism will never make possible for Italy to be successful in a naval race with the richer imperialist powers.

RE-GROUPING OF FORCES

Even prior to the last world war, and today, there is taking place a rapid re-grouping of forces. Not only is the bourgeoisie preparing politically for war, not only is the working class becoming militarized and the war machinery put into shape, but from the point of view of alliances, there is definitely being crystallized two hostile camps, with United States imperialism leading one, and British Imperialism leading the other. Side by side with the competition that exists in the various European smaller imperialist powers, there is taking place a definite re-grouping of forces, definite allignments are being made according to the camps of the two leading hostile imperialist powers. The common imperialist interests of the former allies were severed immediately, as soon as Germany was proven defeated. In this new regrouping of forces, the United States is occupying the dominant position, in fact it is the prime mover in the preparations for the armed re-division of the world.

IMPERIALIST PREPARATIONS FOR WAR

One has only to look at the war budget and the military expenditures of the various imperialist powers to come to the con-

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clusion that the imperialists are preparing for war. Great Britain spent four hundred million dollars for defense in 1913, and five hundred seventy-five millions in 1929. The United States increases its direct expenditures for war purposes from four hundred fifty millions before the war, to seven hundred million in the year 1929. An equal increase is also taking place in the war expenditures of the other imperialist powers. Aside from its current war budget, American imperialism calls for additional seven hundred fifty million dollars for war preparations. The rapid rationalization of the American army, the feverish militarization of American industry and labor power are all with one purpose—preparation for the coming war. In the yearly report of the Secretary of War, Patrick J. Hurley, it is stated: "Definite and gratifying progress was made in the preparation of plans for the rapid and efficient transformation of our peace power into war power. During the year with has just closed, the war department has continued its orderly and systematic national survey of raw materials, power, labor and transportation, and the allocation of the required materials to these facilities best fitted to produce munition with the least disturbance of the economic structure of the nation." With more frankness and of greater political significance, however, was the statement of the leader of the American delegation in London, Secretary of State, Stimson. In his insistence on the abolition of submarines by France and Britain as well, the Secretary of State, Stimson, frankly stated that unless the wish of American Imperialism is carried out, America is ready again to go to war for the defense of its own interests. In one of his statements, Stimson said: "We cannot but feel that for this conference, called under such influences to sanction an instrument of war (meaning submarines) the abuses of which were directly responsible for calling the western world into the greatest European war in history would be a contradiction of the purposes for which we have met. I am not speaking of theory, I am speaking of historical facts and which human experience showed is likely to be repeated." The coming war therefore does not represent an abstract probability but an unavoidable development which is liable to break out at any moment.

It is also already well established that the struggle for parity between American and British Imperialism in naval strength in no way diminishes the inevitability of war between these two leading powers. In the first place, this parity presupposes the general increase of armament on the part of the United States, Great Britain and the other powers as well. In the second place, the demand for parity on the part of the United States is a demand for naval

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superiority over Great Britain. Naval parity is another form of the American policy of the "open door," and is directed to weaken the naval strength of Great Britain. Besides the fact that actual parity in naval strength is a thing which is impossible to establish, due to the secrecy in naval building and other rapidly developing means of warfare. It would be wrong for anyone to think that British imperialism is ready to give up its naval superiority. We want to recall here what the leading figure of the British Conservative Party, Winston Churchill, said in his recent visit to Canada: "Nothing in the world, nothing that you may think of or dream of or anyone may tell you; no argument however specious, nor appeal however seductive, must lead you to abandon that naval supremacy on which the life of our country depends." In agreeing to parity, the British Empire only marks time until it will reorganize its forces and make adequate political preparations for a definite armed struggle with the United States. Parity can never be established by peaceful means. The direction in which the situation is developing is for war between the United States and England, to establish the superiority of one of these powers.

WHAT THE LONDON CONFERENCE ACTUALLY ACCOMPLISHED

No class conscious worker ever believed that disarmament will be achieved in London, or that any form of disarmament is possible under capitalism. The London Conference, therefore, at the very outset was not a disarmament conference, but on the contrary. The sharp growing contradictions between the decline of capitalism and the growth of the socialist forces of production in the Soviet Union, brought the present combined attack of all the forces of reaction and counter-revolution against the Soviet Union. As the Moscow correspondent of the New York Times, Walter Duranty, explained in his correspondence: "The success (of the Soviet) the early and first fruits of which would contain elements of great danger to European capitalist structure." Today it is already well recognized and definitely established that the Soviet Union, with its great achievements and progress is definitely challenging the entire capitalist world. This challenge makes impossible the peaceful existence of two social systems which are contradictory to each other and leads to an inevitable imperialist attack upon the Soviet Union. The revolutionary working class must therefore understand that side by side with the growth of the antagonisms and contradictions between the imperialist powers themselves, there is also a continuous growth of the contradictions and antagonisms between the entire imperialist world and the Soviet Union. One set of antagonisms does not exclude the other, and we therefore

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must reject the idea as expressed by Nearing, that because of the antagonisms between the imperialist powers, they will never be able to fight jointly against the Soviet Union. On the other hand, we must also reject the idea as expressed in sections of our Party that the antagonisms between the imperialist world and the Soviet Union is replacing the antagonisms between the imperialist powers.

It is therefore no accident that precisely at this moment, when the London Conference ended in such a miserable failure, that world imperialism has mobilized in its last resort, the entire religious world in the struggle against the Soviet Union in the support of the kulaks and all the other remnants of capitalism which are today being successfully wiped out by the Communist Party of the U.S.S.R. The London Conference will only bring nearer the war against the Soviet Union. The breaking of diplomatic relations between Mexico and the Soviet Union, the clamour of the French capitalist press, which are using the so-called "kidnapping" of the white guardist general Koutiepoff, as an excuse for the breaking of relations with the Soviet Union, all these acts on the part of world imperialism are part and parcel of war preparations against the U.S.S.R.

THE GROWING REVOLUTIONARY STRUGGLE OF THE MASSES

To draw the proper conclusions from the present political situation in relation to war, it is not only necessary to see the contradictions of world capitalism and the antagonisms between the imperialist powers, but it is also necessary to consider as the determining factor, the present growing revolutionary struggle and political consciousness of the international working class and the oppressed people of the colonial countries. Of great importance for us to consider is not only the readiness of the masses to struggle for better economic conditions, to fight unemployment, but the political character of many of these struggles. To view the struggles of the international proletariat strictly from an economic viewpoint would be a failure to understand the meaning of these struggles and their far-reaching significance. The outstanding feature in the present situation is the fact that social democracy exposes itself today more than ever before. Even the most leading fascists of the British Empire, such as Lord Rothermere, had to state: "The Socialist can't save England in our present economic crisis." The crisis in capitalism also created a crisis in social reformism, having the effect of first exposing the treacherous role of social reformism, and thereby repulsing large sections of its working class following which were still under the influence of social democracy, and making them fight under the leadership of the Communist Party and the

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revoluitonary trade union movement. The other effect is that Social Democracy, which is closely and organically connected with the state and with the bosses, had to resort to open fascist terror against the workers. The recent bi-elections in the Sheffield district in England, are of no little interest. It certainly indicates the trend of the minds of the masses and the growth of the revolutionary consciousness of the workers. The results of these elections show the following: That in the national elections of 1929 the Labor Government received 20,277 votes, and in the recent bi-elections, the Labor Government received only 11,543 votes. In the national elections the Communist Party did not have any candidates, in the recent bi-elections the candidates of the Communist Party received 1,084 votes. Of considerable interest is also the fact that although the Labor Government is a minority government, yet we find that because of necessity, because of political expediency, British imperialists find it necessary to have the Labor Government carry on the struggle for hegemony with the United States and for the retention of its supremacy in Europe and the world over as a leading imperialist power. However, the moment the Labor Government will find itself in a position of being unable to fulfil the mission of an agent of the imperialists in the ranks of the workers, of a defender of the present capitalist system, the capitalist class of England will get rid of this Labor Government.

At the London Conference there was established a regrouping of forces, increased armament, and especially became accentuated the antagonisms which existed between the imperialist powers. The London Conference, therefore, was a rehearsal for war between the imperialist powers, and particularly against the Soviet Union. These facts are even brought forth by the staunchest supporters and defenders of capitalism, the organ of the French steel trust *L'Avenir* writes editorially on January 9th: "The very name 'naval disarmament conference' is a lie." Then it further proceeds in analyzing the background of the conference by stating: "In the background of the London Conference there is a hypothesis of war between the United States and Britain, between the United States and Japan, between France and Italy. There you find all the civilized and civilizing nations which are all on the same side in the great war of civilization, rendering themselves suspect of planning aggressions against one another and putting their heads together in order to determine the size of their teeth and claws. To say the least, it is a curious sight, in the last resort the London Conference supplies a lack of confidence in peace treaties." What could be said more definite, how can the war danger between the imperialist powers be more clearly brought out! For the revolutionary working class in

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the United States and the world over the problem is not only to convince the workers of an approaching war, but to prepare to meet this situation, to apply the correct Leninist methods, to turn the coming imperialist war into a civil war. That the London Conference will in itself prove to be a factor which will accelerate armaments and bring the war danger nearer to us, was also well brought out by the well-known *New York Times'* European correspondent, Edwin L. James, who in a recent article from London, stated: "The results of the London Conference will be some of the finest naval construction programs the world has yet seen." And in a speech before the Navy League, the former British Chancellor, Winston Churchill, stated: "From what we can judge by what has been published, all these other nations will increase their naval expenditures as soon as the conference is over." In the face of this, only the Second International, only the Labor Government, only Norman Thomas can state that the London Conference will bring disarmament, that the London Conference will be a stepping-stone to the everlasting peace between nations. This, however, is their specific role in the ranks of the working class, as a misleader, concealing the true situation and thereby tending to provent the mobilization of the working class to do its duty in the coming imperialist war.

The London Naval Conference also brought out most glaringly the bankruptcy and the uselessness of the various peace treaties. It is interesting to note that precisely in this very moment, when the Kellogg Peace Pact is being eulogized by capitalism as a guaranty that in the future no nation will go to war, the imperialists openly proclaim their disbelief in the Kellogg Pact and insist on more definite security. How often did the socialists and the bourgeoisie repeatedly say that this existence of the League of Nations, that the covenants of the League will prevent any war or armed conflict between the European and American nations? However, in spite of these many treaties and pledges not to resort to war, we find that French imperialism came to the conclusion that these peace treaties in no way guarantee peace or security. The working class, however, must also see that another peace treaty will in no way establish peace or guarantee security because of the very fact that peace is impossible under capitalism.

THE ATTACK AGAINST THE SOVIET UNION

The very existence of the Soviet Republic was in itself one of the dynamic factors that undermined the position of world capitalism. However, for the first years of the existence of the Soviet Union, the imperialist world, together with their tools, the Socialists, spread

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the illusion that the Soviet Union will not be able to maintain itself, that under the pressure of the capitalist world the workers' and farmers' government, in case it is not destroyed by its own contradictions, will change its course and give up its Communist principles. However, the Communist Party of the Soviet Union, following the principles of Leninism, is continuously strengthening the proletarian state on a much stronger and firmer foundation. Because of this, the *New York Times* was forced to state in an editorial of January 23, 1930, that the previous views of the capitalist world that "re-admit Russia into the family of nations, do business with Russia, visit Russia for the puropse of studying without prejudice the extraordinary experiment upon which she is engaged and inevitably a tone of moderation inside of the Communist Party will prevail. Precisely the opposite thing has happened." Never was the capitalist world so disappointed as it is today, particularly with the carrying thru of the Five Year Plan of Socialist Construction.

The growth of the revolutionary movement in the colonies under the direct leadership of the working class and the growing aggressiveness of the proletariat in the capitalist developed countries do not only aggravate the crisis of capitalism, but bring to the forefront the great task of struggle for power and the proletarian revolution. Since imperialist war is only a continuation of politics of the ruling class by other means, it is also necessary to consider how the imperialist war preparations affect the working class. One thing is certain for every class-conscious worker: capitalism will put the whole burden of the crisis and the war preparations upon the shoulders of the working class. Rationalization and speed-up of industry will increase and the militarization of the working class will assume greater proportions. At the same time we must also note that with the growth of the political consciousness in the minds of the workers, and the crisis of capitalism, the capitalist class will do everything in its power to destroy and suppress first and foremost, the most militant and revolutionary organization of the working class, and thereby attempt to stifle the resistance of the working class. In the United States this has already assumed certain definite and crystallized forms. The revival of the criminal syndicalist law, the growth of terror, the centralization of reaction, are only indicative of this developing situation. The effect of this situation, however, can only be a growth in the revolutionary situation, a strengthening of the influence and authority of the Communist Party among the masses

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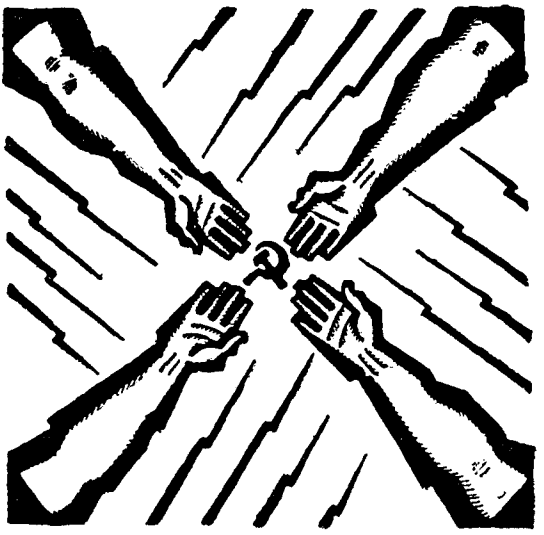
and the determination on the part of the international proletariat to struggle not only for economic and immediate gains, but also for political power.



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The Class Character of Workmen's Compensation, Accident and Insurance Laws in the U. S. A.

By POOR & ZACK

THE ruthlessness of the American capitalists in reference to the use of the human material which he uses to grind out his profits is notorious. The cheapest commodity is the body and health of the worker. Little does the average worker in the United States realize this, still less does he know of the true nature of the "Welfare Laws" that he imagines compensate him for his loss of labor power. One of the chief articles of trade of the American labor faker to make the workmen vote for capitalists candidates on election day have been precisely these laws. Let us therefore examine this part of the workmen's heaven a little closer.

The Monthly Labor Review, a governmental organ, gives the following data for the year 1922-23:

Annual Number of Accidents resulting in:

Death	21,232
Permanent total disability	1,728
Dismemberment	75,353
Disfigurement	1,401
Permanent partial disability other than dismemberment	28,875
	128,589

Temporary Total Disabillity

1 week	918,762
1 " " to 2 weeks	493,856
2 " " 3 "	304,467
3 " " 4 "	174,739
4 " " 8 "	283,659
8 " " 13 "	85,459
12 " " 26 "	48,027
26 " " and over	15,860

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Total for temporary total disability	2,324,829
Total for permanent total and partial disability	128,589
GRAND TOTAL	2,453,418

Assuming that there are 30,000,000 working people engaged in production and exchange the average worker's chance of escaping is 11 out of 12. To put it another way, one worker out of every 12 meets with an injury in the course of a single year. This is a phenomenon which vitally concerns the welfare of the working class since its sole means of livelihood depends on its ability to sell its labor power to the capitalists. Moreover, the constant intensification of exploitation and use of complex machinery opens up new avenues of danger and exposes the workers to ever increasing risks.

Workmen's Compensation and Insurance Laws

The laws as a whole are very explicit in what they deny and purposely obscure in what they grant. Hence it is necessary to point out at the outset that the reader should not be misled by the positive provisions designated for the various injuries and death. The statutes provide so many exceptions as to exclude millions, if not a majority of the workers from the paltry benefits allowed. The statutes divide themselves mostly into two parts——positive and negative. The positive part designates the money allowances and the periods over which they run. The second or negative part consists of the "buts" and "exceptions." We shall treat the positive first.

Fatal Cases

Every year an average of 20,000 workers are offered up as sacrifices to capitalist production. The question arises, if such a vast number of fatalities is essential to modern industry. To this question the Society of Engineers, a bourgeois organization, has given a firm answer. NO! The Society has repeatedly declared that the installation of safety devices and proper inspection facilities will eliminate partially the vast majority of all industrial accidents. Of course unforseen accidents will always occur, but it is nothing less than criminal that in the mining industry alone 2,000 coal and metal diggers should each year offer up their lives because the management in its eagerness for more profits has failed to remove the

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coal dust accumulating in the pits and thus knowingly jeopardizing the men's lives. In the other industries greed for profits plays a role no less incriminating.

It is to be expected that a capitalist management which ignores ordinary precautions will also deal harshly with the surviving dependents of the 22,000 workers industrially murdered each year. And accordingly it is so. The tables listed below speak for themselves. No amount of clever news headlines declaring that 600,000 dollars was paid to the widows of 300 dead miners can hide the fact that each widow receives only $3,000 for herself and children.

COMPENSATION IN CASE OF DEATH

The method used in compensating the dependent survivors of the dead worker varies in the several States. Some States pay a lump sum; others designate sums for limited periods; and the remainder allow a pension for life until beneficiary remarries. One State, Oklahoma, grants no compensation whatever.

1. STATES PAYING LUMP SUMS TO DEPENDENTS IN CASE OF DEATH TO THE WORKER:

State	*Amount Paid to dependents*		*Modifying Provisions*
	Min.	*Max.*	
Alaska	$3,900	$7,800	a) Number of children b) Marital state c) Dependent parents
Arizona ...	.....	4,000	.....
California ..	.....	5,000	.....
Delaware ..	712	5,130	a) Amount of wages b) Percentage voted by Commission
Kansas	1,400	3,800	Not to exceed 3 years earnings
New Hamps.	.....	3,000	3 yrs. wages not to exceed $20 per week.
Porto Rico..	2,000	4,000	a) Number of children b) Earning capacity
South Dakota	1,650	3,000	Proportioned to 50% of wages earned for 4 years.
Wisconsin ..	2,100	5,600	Based on yearly wages: Min. $525; Max. $1,400
Wyoming ..	2,000	3,600	Number of children

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The Bureau of Labor Statistics from which our data is taken does not declare that all the above States provide lump sums but that is the inference that can be drawn from the stated facts. The comparatively high maximum for Alaska is a decoy since so many conditions are attached as to make it in practice unobtainable. Figures do not lie but liars do figure.

2. STATES PAYING DEPENDENTS A MAXIMUM AMOUNT

State	*Average Weekly Amount*	*No. of Years*	*Total Not to exceed*
Alabama	$10.00	6	$5,000
Colorado	8,50	6¼	3,750
Georgia	8.17	6	5,000
Indiana	9.35	6	5,000
Kentucky	8.50	6⅔	4,000
Maine	11.00	6	4,000
Maryland	13.00	8¼	5,000
Massachusetts	10.00	10	4,000
Ohio	10.81	8¼	6,500
Utah	9.60	6¼	5,000
Vermont	13.46	5 1/10	3,500
Virginia	9.00	6	4,500
Rhode Island	7.00	6	3,000
Tennessee	10.00	8	6,000
Connecticut	11.50	6¼	5,616
Idaho	9.00	8	4,800
Illinois	14.75	4	4,250
Iowa	10.50	6	4,500
Louisiana	11.50	6	6,000
Michigan	10.50	6	4,200
Minnesota	14.00	7½	7,500
Montana	9,25	8	5,000
Nebraska	10.50	7	5,250
New Jersey	12.50	6	5,100
New Mexico	14.00	6	5,400
Pennsylvania	6.75	6	3,600
Texas	13.50	7 1/10	7,200

3. STATES PAYING FOR LIFE OR UNTIL REMARRIAGE OF DEPENDENT WIDOW OR WIDOWER

State	*Average Weekly Amount*	*Provisions Raising or Lowering Weekly Average*
Nevada	$14.40	(a) based on max. basic wage of $30 per week (b) number of children

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North Dakota	13.05	based on min. and max. basic wage of $18 to $30 per week
New York	13.70	(a) based on max. basic wage of $37.50 per week. Min. $18 (b) number of children
Oregon	10.00	number of children
Washington	11.87	ditto
West Virginia	9.37	ditto
Average for U. S. ..	10.44	(a) amount weekly wages earned (b) number of children

From the foregoing it is obvious that the life of the wage earner is not valued highly by the several States in the union. To this severe treatment of survivors and dependents of deacesed workers must be added the Federal Government itself. The class domination of the bourgeois legislatures is laid bare beyond question when one compares the size of their own salaries with those allowed the widow of the victim of capitalist production.

Even the so-called liberal States which allow a lump sum to the dependent do not grant on the average more than $4,000. What can the widow do with this money? If she opens up a petty retail business the chances are that at the end of a year or two her money will be lost, due to big capitalist competition and exploitation of trusts and lack of experience in retail trade. If she stays at home and eats up the money she cannot by any means stretch it beyond five years. If she goes to work and this the average widow will be compelled to do, the welfare of the children is jeopardized as the capitalist State makes no provisions for taking care of them. They grow up wild in the streets.

In those States which allow a designated sum for fixed periods the dependent widow does not find herself in better circumstances, as the several legislatures provide sums which are barely sufficient to keep body and soul together for one person—let alone bringing up children. But even here the period of payment is generally completed in six years. Those States which extend the period to eight or ten years diminish the weekly average and proclaim the cheapness of a wage earner's life through the back door. Thus the great sovereign Commonwealth of Pennsylvania allows an average weekly allowance of $6.75 for a period of six years to the dead earner's dependents.

There are six States and the Federal Government which have ostensibly accepted the "humane" position of granting pensions to

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the surviving dependents for life. In reality, however, they have done no such thing, for in practice they make the "pension" a mockery and downright fraud. The great Empire State of New York allows a weekly average of $13.70 and this sum is liberal as compared to the liberality of the Federal Government, which is $10.44.

The object of this ruthless attitude as the Labor Bureau statisticians laconically observe is "to restrict further *the burden on the employer* (sic), even though it transfers it necessarily to the injured employee," or his dependent survivors in case of death, and continues the statistician, "the term payment is *not fixed by period of disability*," as we shall see below, but by arbitrary maximum.

In ordinary English this means that the legislature advisedly adopt the lowest sums possible with the object in view of forcing the widow and children into the factories in order thereby to fill up the gap made by the dead spouse in the available labor army.

COMPENSATION FOR TOTAL PERMANENT DISABILITY

The methods employed for this category of disabilities do not materially differ from those used in case of death to the worker. A slight tendency to appreciate the increased liability of the State towards the worker, who is industrially disabled for life, is manifest. But in the main, while the principle is recognized in words, it is discarded in deeds. Where the worker dies as a result of industrial injury he is eliminated as a consumer and the number of mouths in the family to be fed is one less. But where the worker lives but is industrially totally disabled for life he must be fed and clothed and because of his injuries, be given additional medical and other attention. Nevertheless, no substantial increase in the allowances are granted. Only one State, Nevada, so far as we could learn, provides an additional pittance of $7.50 per week where the disabled worker needs additional care—as in the case of total blindness or loss of both arms or both legs.

1. STATES PAYING FIXED MAXIMUM SUMS

State	*Average Paym't*	*Min. Paym't*	*Max. Paym't*	*Other Provisions*
Alaska . . .	$6,240	$4,680	$7,800	If single, $780 to each dependent parent only
Porto Rico	2,500	1,000	4,000	Depending on age, rate of wages and nature of disability
Wyoming	6,000	4,000	8,000	Depending on number of children. Provides $120 per year for each child under 18 years

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2. STATES PAYING DESIGNATED SUMS FOR LIMITED NUMBER OF YEARS

State	*Average Weekly Amount*	*Number of years*	*Total not to exceed*
Alabama	$10.00	11	——
Connecticut	11.50	10 1/3	——
Delaware	10.00	9½	$4,000
Georgia	9.50	7	5,000
Hawaii	12.50	6¼	5,000
Indiana	9.35	10	5,000
Iowa	10.50	8	——
Kansas	10.50	8	——
Kentucky	10.00	8	6,000
Louisiana	11.50	8	——
Maine	11.00	10	6,000
Maryland	13.00	7½?	5,000
Arizona	10.00?	8?	4,000
Massachusetts	11.50	10	4,000
Michigan	10.50	10	7,000
Minnesota	14.00	14	10,000
New Hampshire	10.50	6	4,500
New Jersey	12.50	8	6,800
New Mexico	9.00	10 1/3	6,240
Oklahoma	13.00	10	9,000
Pennsylvania	9.00	10	6,000
Tennessee	10.00	8	5,000
Texas	13.50	8	8,000
Vermont	10.50	5	4,000
Virginia	9.00	10	4,500
Wisconsin	12.51	Number of years not specified; depends on age of worker	
South Dakota	11.25	5½	5,000

The States of Maryland, Michigan, Arizona, South Dakota and Texas declare in their statutes that payment is to be made "during disability." No more clumsy subterfuge was ever made. By limiting the total to be paid, the fund is sooner or later exhausted and the disabled workman is left without any means of support, since his disability is permanent and total.

3. STATES PAYING FOR LIFE

In this group some states provide a uniform payment for life, while the remainder do not, but instead, allow a comparatively higher

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rate for the first few years and then a uniform low rate for life.

State	*Weekly Average for First Period*	*Weekly Average for Second Period*
California	$17.50 fof $4^2/_3$ years	$12.00 for life
Colorado	7.00 for life	——
Idaho	11.00 for 8 years	6.00 for life
Illinois	11.25 for 8 years	5.00 for life
Montana	9.25 for 8 years	5.00 for life
Nebraska	10.50 for 6 years	8.25 for life
Nevada	11.25 for life	——
New York	14.00 for life	——
U. S.	12.50 for life	——
Ohio	11.90 for life	——
Oregon	10.00 for life	——
Utah	6.90 for 5 years	5.00 for life
Washington	12.25 for life	——
West Virginia	10.50 for life	——
North Dakota	13.00 for life	——

PARTIAL DISABILITIES

Partial disabilities make up by far the great bulk of the injuries sustained by the workers. The average number of industrial deaths are in round numbers about 22,000 per year, while the number of workers totally and permanently disabled is around 2,000 per year. If we add to these the total number of dismemberment cases, which generally averages about 75,000, we have about 100,000 workers who are disabled for life. Multiply this number by five — the average composition of a worker's family, and you have a population of 500,000 people affected. It should be understood, however, that dismemberment does not necessarily mean that a worker is totally disabled. A worker who has lost either an arm, leg, eye, a couple or fingers, etc., is, so far as his earning capacity is concerned, not in the same helpless condition as the permanent and totally disabled worker. Hence the number of totally disabled workers and the dependents of deceased workers are comparatively moderate. The great bulk of the injuries, as already stated, are of a partial nature, lasting from a week to several years and affect over 2,000,000 workers.

The attitude of the bourgeois legislatures towards partial disabilities does not vary from its treatment of total disability cases and the dependent survivors where the worker died. The injured workers are in no instance allowed the full amount of wages they have lost because of the negligence of the employer in failure to

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provide safety devices. Most states provide 50 per cent of the wage loss incurred, a few as high as 66 2/3 per cent. Thus if we take the average wage to be $26.50 per week, the maimed worker will receive from $13.25 to around $15 per week. How can he exist on it? He can't! If he is lucky enough to have a little savings it will be consumed sooner or later and before his wounds have had time to heal up properly, he or his children will be forced to enter the factory. Indeed, as the Department of Labor reluctantly admits, this is the very intention of the State bourgeois government. The labor market must be replenished at all costs.

Partial disabilities divide themselves into two groups: permanent partial, that is, "minor" injury for life, such as loss of hearing, loss of an arm, etc. and temporary partial, such as sprained wrists, dislocations, injuries to the face or body requiring various periods of healing. In the former cases there is a definite loss of functional activity, in the latter only recuperation is necessary. Do the States take the nature of the specific injuries into serious consideration? A few do. The vast majority are purposely ambiguous and vague, leaving the matter entirely in the hands of Industrial Commissions, who are invariably the friends and boon companions of the employers. Hence, in the table following we have indicated such vagueness in a separate column.

(to be continued)

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U. S. Agriculture and Tasks of the Communist Party, U. S. A.

A Draft Program submitted for general discussion.—Conclusion.

SECTION V

Farm Capital's Conquest by Finance Capital

The farmer capitalist and farm corporations have incomes of wide variations concealed by statistical averages. Some of these have profited by the marked national dietary change from cereals and meats to dairy products, fruits and vegetables. This dietary change, however, which bourgeois apologists unhesitatingly ascribe to "growing urbanization" (and how should that affect the diet were it not for growing proletarianization?), undoubtedly reflects the lower living standards of the masses rather than some fancifully conceived epidemic of vegetarianism. The low amount of "farm-made butter" in comparison to "butter sold" indicates how such as dairy products are with comparative ease subjected to monopoly marketing, and dairying has been very highly rationalized. In such fields farm capital has tried itself to obtain local monopoly control through "co-operatives." But no sooner are such "producers' cooperatives" formed than they are swallowed up in the maw of finance capital. Indeed, finance capital has a policy of forcing dispersed farm capital into "co-operatives," at times by campaigns of violence (destruction of the crops of independent growers by the California Raisin Growers' Association, owned by the Dillon Read Wall Street bank, for example), as well as by "peaceful compulsion" through credit control and centralized purchasing.

(a) The so-called "co-operatives" or "pools" constitute one of the greatest deceptions not only for farmers, but for deluding the masses with the idea that some sort of "near socialism" is being attained through them for farmers. This deception is on a level with the demagogy of the "B. & O. Plan" of class collaboration put out by the fascist bureaucracy of the A. F. of L. Reformists of all stripes, but particularly the "left" phrase mongers, delight in picking out some isolated and local "success" of a few farmers, distorting it, exaggerating its significance and putting it forth as "proof" that all farmers should flock into "co-operatives." As a matter of fact, even to join co-operatives, i. e., to become a shareholder in a business run for profit, requires usually an invest-

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ment a majority cannot afford. When such is offered "free," it is because finance capital thus baits its trap. In the country districts "co-operatives" are under leadership of local small business men and rich farmers, the servile tools of banking capital whose interests are advanced at the cost of the vast majority of farmers. Demagogy appealing to their petty bourgeois desire for "a reasonable profit over the cost of production" does not benefit the majority, the poor farmers, however, when they respond to this bait. Finance capital with its local and petty tools not only takes the "reasonable" profit, but actually impoverishes the poor farmers and binds them more closely to finance capital with debts while pretending to "help" them with loans. Much is made by "left" reformists of what co-operatives "*could*" be "*if*" they struggle against finance capital. But this is merely an abstraction. They *are not* struggling against finance capital, but *for* finance capital and *against* both the majority of farmers and the whole proletariat. Supposed to be "neutral" in politics, they, in fact, are centers of control by capitalist politics. As giving some indication of how the "co-operatives" are held by a minority of rich monopolist farmers, we cite the following figures for 1925:

	No. Farms in U. S. A.	*No. Farms Selling Through Co-operatives*	*Sales in Dollars*
Owners	3,868,332	602,364	582,622,977
Managers	40,700	5,023	22,347,268
Tenants	2,462,608	276,820	253,314,142
Total	6,371,640	884,207	$858,284,387

By this we see that the proportion of all farmers who are actually in co-operatives is only a small minority, that most of them are owners and that the percentage of tenants who participate in relation to the number of tenant farmers is very low. We also see that the total sum of sales, in relation to the total value of crops produced in 1924, which was $7,472,534,858, is low, though this is said to have grown to $3,200,000,000 in 1927, and that the problem of finance capital, although even by this proportion of aggregate control it can, in degrees varying by industry, attain a measure of monopoly, is to press further for "more co-operation" *by* the farmers but *for* finance capital.

Only when capitalism is overthrown will farmers' co-operatives play a progressive role in the interests of the farming population and all society.

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(b) Paraded before the world as organizations of "the farmers," the American Farm Bureau Federation is the central organ holding in its grip every important "producers' co-operative" in the country. Through these, and such organizations as the National Grange and the Farmers' Union, finance capital diverts the mass discontent into channels not only harmless to itself, but of assistance to its imperialist interests, i. e., stronger competition in exports, which means ultimately an armed struggle for the world market, more monopoly marketing to cut the real wages of the industrial proletariat, more co-operatives, as proposed by Hoover, to sum up all these aims and to lead, in addition to the "solution" of the farm problem as proposed by Jordan, to "the abandonment of two to three million farms," in other words, the elemination by pauperization of from one-third to one-half the farm population.

(c) To rivet the chains of finance capital on the farm population beyond all question and to hasten the rationalization of the agricultural industry, to consolidate the rear of U. S. economy for war, the Federal Farm Board was created with much drum thumping about "helping the farmer." For this pretended purpose Hoover appointed to the Board the following: As Chairman, Alexander Legge, on the "War Industries Board" during the World War, who resigned his $100,000 yearly position as president of the International Harvester Company to take the position; James G. Stone, Vice-Chairman, banker, stock raiser and a tobacco magnate; C. B. Denman, president of the National Livestock Producers' Association; Carl Williams, editor of the Oklahoma "Farmer-Stockman" and director of the Liberty National Bank of Oklahoma; William F. Schilling, president of the Twin Cities Milk Producers' Association; Charles G. Teague, president and director of the California Fruit Growers' Exchange and director as well in other big fruit and irrigation companies and "co-operatives"; Charles S. Wilson, who is listed as an "active" farmer, New York state politician, who is none the less secretary of the *Western* Fruit Growers' Co-operative Packing Association, and Samuel A. McKelvie, a former governor of Nebraska and an editor who "represents" the wheat growers. At the Board's first meeting 52 officials of various grain marketing organizations, with equally good disguises as "farmers," attended.

This Federal Farm Board, an organ to attempt to bring capitalist "order" out of capitalist anarchy (to replace free competition by monopoly), was given $500,000,000 as a "revolving fund" to loan for "farm relief." Such loans are noted as "supplemental" to loans made from banks. The Board is to "extend the membership

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of the co-operatives" and to "insure them against price decline." Legge announced that loans would be made to co-operatives to assist farmers to "hold back their crops," but obviously this is dishonest, since the farmer, who must first join a co-operative, then have his petition for a loan approved by the co-operative, must also turn his crop over to it before getting any loan, that is, the crop has passed out of the farmer's hands into the "co-operative" monopoly of finance capital. The loans, said at first to be at 3½ per cent interest, were, after an understanding with the private grain dealers, set at 6 per cent interest and, besides being tied up with bankers' loans, are limited to certain amounts of the estimated price. There is nothing guaranteeing the farmer either loans, enough loans, low interest on loan, high price or fair treatment in grading his product. Either the poor farmer cannot even get into the trap or he finds it to be a trap when he is in. And with this, there is being inaugurated a system of holding all members of the co-operative responsible for defaulted debts and bankruptcies of individuals.

The words of Hoover in setting forth the Farm Board's functions are examples of demagogy, seductive to the rich farmer to fall in with finance capital, with hints of wrath to come for the poor farmer, garnished with vain expectations of "organized capitalism." Holding out promise of relief as limited to "produce advances" only to "corporations created and owned by farmers' marketing organizations," there is the warning that "farmers must save themselves through their own co-operatives" ("their own," namely, those of finance capital).

Then there is a labored effort to assume that "order," if now a bit lacking, will soon be bestowed on capitalist anarchy. Assurances are repeatedly given for "orderly marketing"—but of what? Of "surpluses." But no mention is made of the persistent surpluses inherent in capitalist agriculture in this period of crisis, but only of surpluses "occasioned by climatic variations or by harvest congestion!" This would seem to give the impression that normal rainfall is not normal at all, but exceptional; that crop failure is the rule! And from much wordy folderol about "orderly" this and "orderly" that, what is to be done with these surpluses is given as a general idea that crop storage is expected to hold up prices by holding supply of the market ("capital to be advanced against commodities lodged for storage"). But a surplus is a surplus, no matter where it is "lodged," and the price will be determined by the volume of world production. Its existence, not its movement, is the basic factor in establishing the price, which is approximately de-

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termined even before harvest by estimates on the yield. Knowing this, Hoover rejects the idea of price fixing, since this would carry "orderly marketing" too far toward permitting poor farmers to share in the advantage of rich farmers linked with finance capital and monopoly, and that would, at this stage, be liquidating the monopoly. Moreover, the speculators of the Chicago Wheat Pit might be disturbed, where twelve times the amount of wheat produced in one year is sold back and forth in the course of twelve months.

(d) The income returns of farm capital in the aggregate for the five-year period ending in 1927 showed the price average of crops sold to be about 135 per cent of pre-war prices, while farm-purchased commodities have averaged about 155 per cent of pre-war, while living costs have been over 160 per cent of pre-war, and taxes 200 per cent. This is supposed to give the farmers only from 85 to 90 per cent of their pre-war purchasing power.

(e) Of especial irritation to farm capital is the tax burden, which has increased 150 per cent above the pre-war average. Carr, giving details, says that "Taking the quarter century, the burden of the support of the state government alone has been multiplied nearly four times," that in the nine years prior to 1921, "there has been an increase of 140 per cent in state taxes, 100 per cent in county taxes, from 100 per cent to 300 per cent in local township and district taxes. Since 1921, increases have been even more startling." It is well known, though obviously unprovable by statistics, that the poor farmers are discriminated against both in assessments and in the use made of the taxes they pay. It must be noted that the hundreds of thousands of farm youth who are listed under the category of wage workers "working on home farm," but who have fled in veritable armies into city industry, make up either as farm or city poor, the cannon fodder for imperialist war, which war is being prepared with the taxes of the farmers, who will also furnish their sons. Also that the poor farmer actually pays taxes to support the sheriff, whose chief business it is to seize his farm or his equipment and animals for debt. The big capitalists try to soothe the irritation of the farmers over taxes, by "proving" that the tax burden is quite "equable." Thus the Industrial Conference Board goes to the pains of giving figures to show that farmers pay a percentage of the total sum of taxes considerably less than the percentage paid by "the rest of the community." But, obviously, the comparing of the two groups, the balancing off as *equals* "the farmers" as against "the rest of the community" is simply a dishonest trick. It is to say that farm capital and finance capital (ex-

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pressed though it be in railroads, factories, etc.) are equal because they are both "capital," but concealing that they differ not only in magnitude, but that one is subjected to the disadvantage of being robbed by the other. Thus we see that the poor farmers, who see the rich farmers dodging taxes by influencing assessors, etc., who know that the rich of both city and country evade paying taxes in all ways devisable, are forced to pay inequitable taxes while most of the country roads they use go unimproved, their schools are inadequate and the government, from the State Constabulary and Sheriff to the National Executive, represents only a growing burden that pillages him, aids all his enemies and calls him and his sons for imperialist cannon fodder.

(f) Again, the inescapable advantage of finance capital is shown in the matter of tariff. The average tariff on agricultural products is now 22 per cent, while the average of all duties is over 40 per cent. But it is complete folly in a country dominated by manufacturing industry amalgamated with and dominated by finance capital to expect tariff consideration for petty bourgeois agrarian capital equal to that claimed by finance capital. This would again presuppose the "equal consideration" between two inherently unequal factors, one of which is seeking to subject the other and finds the inequality of the tariff an actual aid in extending its domination over the other. Therefore, the tariff advantage will continue unless and until, firstly, finance capital has secured sufficient control of agricultural products through marketing monopolies to establish higher tariff as a monopoly benefit; secondly, finance capital, in fear of a nearing clash with the revolutionary proletariat, makes tariff concessions to agriculture at the expense of the proletariat to win the agrarian petty bourgeoisie to its side against the revolution and for fascism. In neither case, of course, will the majority of small farmers gain anything more substantial than a hope, for even in the latter case the lion's share of what the proletariat is robbed of will be extracted from the agrarian bourgeoisie by finance capital.

The tariff is now an offensive weapon of imperialist capital, the lack of tariff on agricultural products aids it to subjugate petty bourgeois farm capital. Higher tariff may be expected, however, if finance capital is successful in getting a monopoly marketing control through Hoover's Farm Board "co-operative" scheme to the extent desired by it on agricultural products, enabling it to take the offensive against foreign production. But here once more the impossibility of "organized capitalism" is revealed. Higher tariff is an attack through increased prices on the proletariat (which will not remain passive), reducing the market demand and accentuating

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the surplus production. We have many examples of just how "organized" capitalism is: Domestic sugar demands higher tariff, but this meets conflict with equally powerful sugar capital invested in Cuba, Hawaii and the Philippines. It is this clash of two powerful sugar interests that carried the sugar "lobby scandal" to the doors of the White House. Finance capital has a certain measure of control over commercial butter production, and there is a demand for tariff protection against substitutes, but this collides with imperialist capital interested in Philippine cocoanut oil. Finance capital has its grip on the apple growers' associations of the Northwest, but when the latter demands a tariff on bananas the United Fruit Company seriously objects, since (contrary to a popular song) it has too many bananas, it demands more banana eaters and has closed down its Costa Rican plantations to limit production. Under Farm Board auspices, the National Farmers' Grain Corporation was formed with $20,000,000 capital late last October (others in cotton, tobacco, vegetables, etc., are in prospect) to assure Hoover's "orderly marketing." But it faces disorderly production on a world scale which it cannot overcome. Virginia tobacco growers are dismayed at the drop of around 50 per cent in tobacco prices, caused, it is said, by the British revenging Hoover's thrust against British rubber, by growing tobacco in Canada and China. The world wheat crop of 1929 was only a little below 1928; Europe's crop is above 1928, with a reducing inner market rather than an expanding one; the American corn crop was 11 per cent and wheat 12 per cent less than in 1928, but the farm income, counting in all the farm-raised food consumed on the farms, as well as the usual padding, could show no more than $16,000,000 more than in 1928 in the total of all farm income—or about 50 cents per head of farm population. Moreover, outside of all control of American and world capitalism is the overshadowing fact of socialized agriculture in the Soviet Union, producing ever greater volume while distinctly bettering the working conditions and living standards of its agrarian population, an example to inspire the poor farming masses of the whole world to raise themselves from the swamp of capitalist misery and fight, in alliance with the proletariat, to overthrow capitalism.

SECTION VI

Farmers in the Political Struggle

1. The ups and downs of agrarian political discontent in the last several decades show, in themselves, the dependent and vacillating role of the petty bourgeoisie in the political struggle, agrarian dis-

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content usually having swallowed all the liberal and futile reforms cooked up by petty bourgeois leaders such as Jerry Simpson, Bryan, La Follette, et al., who have all attracted with "progressive" bluster against the big bourgeoisie a following they have led around in a circle back to the corral of the big bourgeoisie.

2. The National Grange, in the '70's of the last century, quite definitely functioned as a political party, nominating and electing candidates on a program of denunciation of monopoly capital, directed chiefly against the railroads. But although its program for railroad "regulation" has been long since "won," being adopted by finance capital itself, the farmers are more than ever at the mercy of the railroads. The illusion fostered by such nonsense is that the government is "neutral" and not a class government, owned by and functioning for the big capitalist class. Hence the folly of demanding that a privileged ruling class "regulate" away its privileges in this or any other respect. The Grange also went into business, starting factories to produce agricultural implements at lower prices than the implement monopoly—the factories naturally going bankrupt. When, as is the case invariably with so-called "producers' co-operatives," the Grange tried this also, their co-operatives were either so insignificant as to have no effect on monopolized marketing (and hence were no benefit to small farmers as a class) or, by attaining some size, they became subject to the credit power of the banks and fell under the sway of big capital—again to no benefit to the farmers.

3. The Greenback Party was another attempt in petty bourgeois politics reflecting the historic struggle over "cheap money" between debtors and creditors. The Greenback Party had the patent nostrum of inflation of the currency. Big capital resolutely vetoed it at the time, but, though it has inflated the currency since then, the farmers cannot say they have gained anything by it, but quite the opposite (post-war deflation). The Greenback Party expired, to be followed by the Farmers' Alliance, which repeated the program of the National Grange in general, with all manner of noisy but empty reforms, around which, in a period of depression, was built up the Populist Party of 1892. With no more than economic absurdities such as the "free and unlimited coinage of silver at the rate of sixteen to one," a call for government ownership of railways and expression of "sympathy for labor's demand for shorter hours, immigration restriction and direct election of U. S. Senators," the Populist Party swept in a million votes on its ticket, which was "independent" of other capitalist parties, but not independent—opposed to—capitalism itself. The result was that Bryan, in 1896,

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adopted the main policies of the Populist Party and swept the million votes over to the Democratic Party, wrecking the Populist Party.

4. Much the same role as Bryan played with the Populist movement was played by Roosevelt in 1912, with the "Progressive" movement, and La Follette in 1924, in disorganizing the Farmer-Labor movement. As variations we note the so-called "Non-Partisan League." But this League, which boasted of its "non-partisan" manoeuvers, was decidedly partisan to capitalism. It demanded state ownership under capitalism, made no revolutionary challenge to capitalist property relations, hence really obstructed the way to the only solution for agricultural ills, the revolutionary overthrowal of capitalism. The mountebank leader of this reformist swindle and confusion, Townley, is still victimizing the farmers with a new quack remedy based on the Prohibition Law and turning an "honest penny" selling worthless oil stock.

5. As to the "Farm Bloc Progressives," our Party's October, 1929, thesis correctly stated:

> "The deepening agrarian crisis as yet finds its main channel of political expression in the 'progressives' of the Farm Bloc (Norris, Frazier, Shipstead, Brookhart, et al), with their program of tariff protection for agricultural products and subsidized export of surplus production, measures calculated to deepen the contradictions in agriculture and consequent class differentiation, as well as to strengthen the grip of finance capital upon the market and thence upon agricultural production. The 'progressivism' of the Farm Bloc, with its denial of class struggle on the farm, with its subordination to the essential program of finance capital, has become one of the accepted and established agencies of the rule of Wall Street. It is no longer an expression of the growing consciousness of the toiling agrarian mases, or even a partial and confused expression, but is one of the means of diverting and suppressing this growing consciousness and will to struggle."

The Farm Bloc gave up the McNary-Haugen Bill for the "relief" legislation that set up Hoover's Farm Board. The McNary-Haugen Bill might have benefited the petty bourgeois agrarians at the cost of the proletariat, and Hoover tried to claim credit for defending the working class against higher living costs. But that was not the reason the McNary-Haugen Bill provisions were opposed by Hoover in favor of provisions setting up the Federal Farm Board and establishing its functions. Finance capital and Hoover, its political spokesman, are not opposed to an attack on the standards of the proletariat, but the original McNary-Haugen Bill provided no means whereby finance capital could extend its monop-

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oly control over agriculture nor push rationalization forward in preparation for war, while, on the other hand, the backward technical state of agriculture in relation to industry was to be subsidized, thus placing obstacles in the way of dispossessing the poor farmers and the program of substituting large scale, highly capitalized and rationalized production in their place. The plan adopted and established under the Farm Board, while placing finance capital in a position where it can at any time benefit itself by an attack on the standards of the proletariat, allows it also to launch an extensive attack on the small producing farmers, to widen and consolidate its power over them, the realization of which means impoverishment and pauperization for the majority. Nevertheless, since the Hoover proposal was labeled as "relief," the Farm Bloc accepted it and are pushing it over among the farmers.

The antics of the Farm Bloc and their allies in Congress since November, 1929, reflected a tendency toward a new political crystallization of the petty bourgeoisie. Republican and Democrat alike not only took revenge for the pain endured by the evaporation of many a small fortune of the petty bourgeoisie in the Stock Exchange crash, but made a bid for farmer votes by their fight on the tariff, holding up the tariff increases desired by manufacturing interests on the grounds that farm products, not manufacturing commodities, should have higher tariffs. Again the possibility arises of a new political movement of the petty bourgeoisie based heavily on the farmers. In this period such can only serve the purposes of developing fascist tendencies, of demagogic seduction of petty bourgeois agrarians by a fake "fight" against finance capital, only to open the way, by repressive measures against the proletariat, for the open dictatorship of the great bourgeoisie. Needless to add, the small farmers will gain only an illusory and passing advantage from any such development, as finance capital, which will make many concessions to unite all bourgeois forces against a revolutionary advance of the proletariat, will take all it grants back again with compound interest once it feels its dictatorship is secure.

6. The so-called "farmers' organizations," such as the Farmers' Union, the National Grange, the American Farm Bureau Federation, the Farmers' Equity Union, the wheat and other "pools," one and all, although advising farmers to "keep out of politics," nevertheless influence the farming masses into supporting capitalist political parties, and the leaders of these organizations participate in Hoover's "Economic Conference," a political apparatus of open fascist tendencies of the great bourgeoisie. The result shows how servile to finance capital are these "farmers' organizations," as the

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"labors" of the conference with Hoover brought forth the promise that there was nothing much wrong with agriculture, and the conclusion from this, that all that is necessary to improve the "splendid conditions" prevailing in all except "crop shortage areas," is "better roads to market" (to a market that does not exist!) and "lower interest rates." These rates would be welcomed and even celebrated by great masses of poor farmers who can get no credit at *any* rate, but the fact is that not one of those who may be so "favored" will ever know how it was determined that interest would be "lower," nor solve the mystery of how lower rates were to be "reflected back" to agriculture from the Stock Exchange, where "money used in speculation" has disappeared with equal mystery. The simple magic of entering inflated price quotations of stock in books is thus matched by Hoover's suggestion that all will be well once this "money" (which never existed in the realm of substance) is "made available for agriculture" by the book price of stocks being marked down. Yet in spite of or because of such transparent swindles Hoover obtained the support of the "farmers' organizations" to his Farm Board plan of pushing the majority of poor farmers into deeper poverty to establish the rule of finance capital.

7. The "Farmer-Labor" movement, which flared up and then expired, was essentially a petty bourgeois movement, for all its bravely worded programs, and could do nothing else than seek exit from prospects of struggle through the enticement of a "more practical" phraseology offered by La Follette. Nevertheless, a new period of history was begun. The Bolshevik revolution had awakened the agrarian world from its torpidity. Elemental forces of incurable crises, of wars and revolutions, were at work, and the Farmer-Labor movement could not subside without leaving traces of the rising agrarian movement that looks to the revolutionary overthrowal of capitalism as the only solution and to the Communist Party as the leading force. A growing section of the poorest agrarian petty bourgeoisie is historically turning to the left and seeking revolutionary forms of expression.

8. This revolutionary residue of the past wave of petty bourgeois discontent has crystallized around the United Farmers' Educational League, the weakness and limitation of which has been the fault of our own Party in its own opportunist failure to analyze the agrarian question in a Bolshevik way and to give these revolutionary elements a revolutionary program. In place of such, piecemeal (opportunist) policies were given our comrades working in the League, which tended at best to make it an unrecognized left wing

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of the Farm Bloc. Thus our Party, the party of the proletariat, instead of exposing the attack on the proletariat inherent in the McNary-Haugen Bill, furtively championed that bill and, without consideration that the "relief" demanded by the Farm Bloc would only further enslave the poor farmers to finance capital, merely demanded that such "relief" be twice that figure wanted by the Farm Bloc. Likewise, our Party has spread the use of confusing terms in its programs, such as "working farmers" or "dirt farmers," as though even such millionaire farmers as Governor Lowden of Illinois could not easily be classified among the oppressed "working" farmers, as if any and all farmers, rich, middle or poor, owner, tenant or so on, can be anything else but "dirt" farmers. By such terms a blanket of fog is thrown over class differences. By such confusionism *our Party has helped to conceal the ruthless exploitation of the farm proletariat*, and hence has done not one thing to reach it—the greatest group of proletarians in any single American industry.

The UFEL is organizationally weak, because its basis is limited wholly to the grain area, ignoring, for example, the whole inferno of the South. The Party, of course, "disposed of" the whole question by making an "Agrarian District" of the Party in the Dakotas, shutting its eyes to agriculture everywhere else! This is, certainly, opportunist blindness. The remedy for it is to turn resolutely to the left, to penetrate the agricultural masses, basing our work's greatest weight on the farm proletariat.

The growth of the crisis increases the necessity of Communist work in agriculture. The bourgeoisie, the reformists, the government and all forces of fascism are already busy. The neglect of the Party and the growing crisis already have caused our comrades who wish to take advantage of the opportunities, who assuredly wish to follow the Party line, to propose, in the absence of any Party line, measures containing the germ of serious deviation. It is necessary that this be clarified now to avoid later mistakes of others. These comrades proposed as an "essential" point that a "committee be democratically selected by a conference or convention of Party comrades at a Party Agrarian Conference or Convention." Further, that such conference "should not be a sectional conference of the Party, but be national in scope," and that "as many comrades as possible in the various sections be induced to take an active part in building the agrarian section of the Party, locally, and on a sectional or national scale." We have here a proposal that the Communist Party should build another party, composed of agrarian elements, within itself, a party of farmers who, however poor they are, tend

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to respond to the persistent influence of the class to which they belong——the petty bourgeoisie. Such an "agrarian section" would tend to split from the Party and form precisely another party of small agrarians, revolutionary in phrases, a counterpart of the Social Revolutionary Party of Russia. Organizing small agrarians is one thing. Organizing them in a block inside the party of the proletariat is quite another thing.

9. Following the general line which the program of the Sixth Congress of the Communist International sets forth for such developed capitalist countries as the United States, where the Communists raise the demand for direct seizure of power by the proletariat and the proletarian dictatorship, where in the economic sphere the moment of revolutionary transference of power must mean the expropriation of the whole of large scale industry, the Communist Party of the United States also stands for the expropriation of large scale production in agriculture and (C. I. Program) for:

" . . . organization of a large number of State Soviet farms and, in contrast to this, a relatively small portion of the land to be transferred to the peasantry . . .; a rapid rate of Socialist development generally, and of collectivization of peasant farming in particular."

We do not contend that the majority of American farmers are poor because they do not farm more land, or that it is necessary to give each (or perhaps any) farmer more acreage. What has made miserable and what will make impossible the lives of the small commodity producer is capitalism, the extortions which landlords, banks and trading capitalists (all interwoven parts of finance capital) load upon him. To dispel his inherent petty bourgeois illusions and win him to the side of the revolutionary proletariat, it is necessary not only to point out abstractly how and by whom he is plundered, but to bring him into struggle for demands comprehensible to him.

Standing unequivocally for nationalization of all land and socialization of all production, the Communist Party does not, however, demand that this be completely carried out at once on the day of seizure of power by the proletariat. All the "transference of land" to the farmers necessary to carry out in the United States is a permission to use the land the poor and middle farmers now occupy, freed from rentals extorted by landlords and mortgage payments to the bankers. While large scale production in agriculture, whether great or small in acreage, with modern machinery and hired labor, will at once pass into the hands of the proletarian State power, the

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proletariat will draw (C. I. Program) . . . "a strict distinction between the property of the small commodity producer working for himself, who can and must be gradually brought into the groove of Socialist construction, and the property of the capitalist exploiter, the liquidation of which is an essential condition for Socialist construction." In control of banks the proletariat will aid, if need be, the small farmer needing credit to operate, pushing him into collectives as rapidly as possible by this means.

Without receding from our aims to nationalize all land and socialize all production, but rather bringing them forward in every current struggle, with which these aims must be harmonized, and greatly aided in pushing this forward by the example of the historic advance made in the Soviet Union, the immediate task of the Communist Party is to bring class struggle into agrciulture, uniting the agrarian poor against finance capital in actual struggle to reduce rents, cancel debts and such measures as shatter the rule of capitalism.

The winning of the petty bourgeois farming masses over to the side of the revolutionary proletariat, or neutralizing them, will not be accomplished by mere promises of a future beautiful paradise, but by the decisive role of the Communists in assisting them and leading their struggles for demands expressing their immediate, burning needs. They must, however, be organized and led in actual struggle and not to new illusions in capitalist parliament.

Committees of action of poor farmers are the basic organizational form of mass revolutionary action. Owing to the wide variation between conditions and the complaints of various sections, the demands of such *committees of action* will greatly differ. But the general forms of struggle can be seen to be such as tenants' strikes, mass refusal to pay mortgages or interest upon them, taxpayers' strikes and a physical struggle against foreclosure. It is the first duty of our Party to stimulate the organization of poor farmers' *committees of action* and to make such committees the basis of a broad mass movement such as may be built up by the United Farmers' Educational League should this be reorganized upon a better functioning plan suitable to the tasks. As the really broad masses of poor farmers enter into struggle, their naturally petty bourgeois revolutionism will appear often in lamentable errors, but no alarm need be felt at such so long as the movement is fraternally bound in alliance with and is instructed by the revolutionary proletariat, so long as the force of its attack is thrown against capitalism. In all our work the Communists have much to gain by study of the

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experience of the Communist Party of the Soviet Union both before and after the October Revolution and the rich heritage of theoretical teachings left by Comrade Lenin.

ORGANIZATIONAL RECOMMENDATIONS

1. Every District Executive Committee to select at once an Agrarian Director, who shall, with DEC approval, draw in other comrades into a working committee. Preferably, but not necessarily, the Agrarian Director to be a farm wage worker or poor farmer but the committee in any case not to contain farmers exclusively. It is not the purpose, in selecting comrades to devote considerable time to agricultural work, to take those now occupied in working with the industrial proletariat, but to draw in *new elements.*

(a) Selection by Section Committees and by Units when located in isolated towns in farming territory, of Agricultural Organizer, responsible for carrying out work in such territory.

2. A persistent drive must be started to bring agricultural wage workers into the Party, the weight of work being placed to organize regular nuclei on highly capitalistic farms, in all this not neglecting the highly important work of bringing poor farmers into the Party.

3. The Party fraction in the T. U. U. L. should at once propose the following tasks:

(a) Formulation of a program of general demands for all agricultural wage workers in the name of the new Industrial Union; special programs for specially responsive or accessible categories of farm workers, the suggested categories being: Dairy, Truck Gardening, Fruits and, in the South, Cotton and Tobacco.

(b) The advance of initial organization material to enable the new Industrial Union to begin functioning.

(c) Pressing upon local groups of the TUUL to obtain contacts and build local organizations of the new Industrial Union.

(d) Seeing that the revolutionary unions and industrial leagues of the TUUL admit by free transfer members of poor farmers' organizations who come into industry, and also to establish a bond of cultural and defense activities with poor farmers, most particularly in the South.

4. The Party fraction in the American Negro Labor Congress should influence that organization to give attention to the Negro farming masses, assist in bringing Negro farm wage workers into the new Industrial Union, establish contacts and build the United Farmers' Educational League among poor Negro farmers. The

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"Liberator" should carry material to this end, especially correspondence from Negro farm workers and farmers.

(a) The Negro Department of the CEC must be responsible for gathering data and making the necessary survey to determine: (1) The class differentiation among Negro farmers; (2) Economic and social conditions of Negro farmers compared to white farmers; (3) The feudal practices prevailing in southern agriculture; (4) The scope and tendency of migration by Negroes from farms to manufacturing industry and the relative weight of the semi-proletarians to the farm proletariat.

5. Party members working in the United Farmers' Educational League should take the necessary steps to broaden the organization, change its basis and insure more effective functioning, the steps suggested being: (a) Shifting the weight of work to the South without, of course, neglecting the grain area; (b) Basing its organizational structure upon Farmers' Committees (by township) democratically elected, delegate representation in higher bodies to follow the rule of democratic centralization as necessitated in county, state, regional and national organization; (c) The calling of local or regional conferences preparatory to a national delegate conference to establish the organization on a wider basis; (d) To affiliate the organization to the Krestintern (Farmers' International); (e) To change the character of the "United Farmer" from the abstract and negative to the concrete and positive in independent leadership of current struggles, giving great space to Farmer Correspondence; (f) To reformulate the UFEL program in line with its tasks as a tentative program for consideration of the national conference; (g) To drop the term "Educational" from its name as not appropriate for its major task of independent leadership of struggle, at the same time increasing rather than diminishing real educational work by publication of pamphlets and the institution of a circulating library of revolutionary literature; (h) To popularize and organize a delegation of poor farmers to visit the Soviet Union on the 13th Anniversary of the Revolution, Negro poor farmers to be included.

6. The Party fraction in the International Labor Defense and the Workers' International Relief shall propose measures to the end that these organizations give the necessary attention and practical aid to the poor farm population, to broaden the area of sympathetic support for the revolutionary proletariat among the farming population and cement their alliance for joint struggle against capitalism.

7. The Agit-Prop Department to be instructed: (a) To publish Lenin's pamphlet on Capitalism in American Agriculture, provid-

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ing the necessary amendments to statistics to bring them up to date; (b) to propose other publications relative to the subject; (c) to furnish the entire Party press with material on the agrarian question and which stimulates Party work in this direction and instruct all Party papers to give space allotment to the subject, particularly correspondence from farm proletarians and poor farmers.

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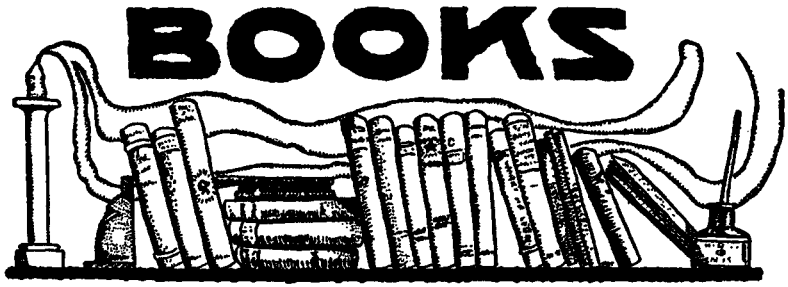

LENIN VOL. IV: 2 Books 643 pages INTERNATIONAL PUBLISHERS New York.

This volume covers the Iscra period from the end of 1900 to the early part of 1902. The Iscra (Spark) was the first All-Russian Revolutionary newspaper published outside of the borders of Russia which served as a powerful organizing medium for the Russian Revolutionary Marxists.

The idea that the only way to build a strong political organization is through an All-Russian newspaper was conceived by Lenin while still in exile. Lenin was arrested December 9, 1895 in St. Petersburg, where he was active in organizing social-democratic groups. His first works in defense of Revolutionary Marxism against opportunism belong to the period of 1894-1895. The arrest only hindered his theoretical activity but did not stop it. While in jail and exile Lenin carried on his theoretical work. Early in 1900 Lenin returned to Russia from Siberia and at once began carrying out the task of organizing the publication, and distribution of a Revolutonary Marxian newspaper. Lenin was getting in touch with many people, but could not accept all of them because his prime idea was not merely to publish a newspaper, but to publish a newspaper that would be a real instrument in building a revolutionary Party based on a revolutionary theory—on the theory of Marx and Engels.

Having failed, however, to carry out the project in Russia proper, Lenin proceeded in July 1900 to Western Europe. There proceeded also some members of his group, who got in touch with the group of "Emancipation of Labor" headed by Plechanov, a strenuous effort was made to establish the coveted newspaper. Into the negotiations and points of dispute the reader will get a better insight if referred to Lenin's own story in the article "How the Spark was nearly Extinguished" in book 1. The first number of the Iscra appeared in December 1900.

Book One contains most of the articles that appeared in the "Iscra," and Zarya. In these articles Lenin deals not only with problems of theory—theory is only a guide for the movement, for organization, so that all manifestations of rebellion against autocracy, all struggles against capitalism are reflected in these articles. Theoretical articles, articles on tactics and organization contained in this volume present not only an historical interest, but serve as a guide for the Communist Parties the world over.

In theory the revision of Marxism found its advocates in Struve, Bulgakov, etc. In the articles "The Agrarian Question" and the "Critics of Marx," Lenin gives an analysis of the development of capitalism in agriculture. Capitalist evolution has not only introduced similarity in the *general* economic system of Western European States, but it has brought Russia closer to Western Europe so that *in the main features*, the economics of peasant farming in Germany are similar to those in Russia, with this

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difference, however, that the process of disintegration among the Russian peasantry, which has been written in detail in Russian Marxian literature, is in the first stage of development—it has not yet given rise to a distinct class of big peasants. Lenin proves with a mass of facts that in all European countries, capitalism is rapidly developing in agriculture. With the development of machinery in agriculture, "the proletarianization of the peasantry continues—this we shall prove below by a mass of German and French statistics. The increasing migration not only of the agriculture laborers but of the peasants as well, from the villages into the towns, is in itself a striking evidence of this growing proletarianization. But the peasants' flight to the cities is inevitably preceded by their ruin; and ruin is preceded by a desperate fight for economic independence. The inevitable result of the struggle is: the rise of a minority of capitalist farms based on wage labor, and the increasing necessity for the majority to seek 'subsidiary employment', i.e., their conversion into industrial and agricultural wage workers. The disintegration of the peasantry reveals to us the *most profound* contradictions of capitalism in their ***origination*** and further growth. A complete evaluation of these contradictions inevitably leads to the recogntion of the hopelessness of the position of the small peasantry (hopeless, that is—unless they take part in the revolutionary proletarian struggle against the whole capitalist system)."

The proletarianization of the farming population in the U. S. goes on continuously at an ever increasing pace. The Communist Party up to the present has paid little attention to the problems of the farming population and to the class sruggle on the agrarian field. A close study of Lenin's writtings on this subject would by itself stimulate the work of the Party on the agricultural field.

Lenin always translated his theoretical conclusions into action. In his article "The Labor Party and Peasantry" Lenin outlines the tasks of the Party: "It is our duty to point out that the misfortunes of the peasantry arise precisely from the class oppression of the peasantry; that the government is the loyal champion of the oppressing classes, and that those who sincerely and seriously desire a radical improvement in the conditions of the peasantry must seek, not to obtain aid from the government, but to get rid of the oppression of the government." In outlining the program Lenin warns against being abstract: "Agitation on the basis of the direct and most urgent needs of the peasants will fulfil its purpose, i.e., carry the class war into the countryside—only when it succeeds in combining every exposure of some economic evil with definite political demands."

Russian industry was experiencing a wave of prosperity at the close of the XIX century. In 1896 a broad strike movement took place; in many instances the strikers were successful, or partially successful in winning their demands. The social-democrats at that time gave their major attention to these strikes. On the basis of these activities they elaborated a whole theory—namely that the task of the Russian Marxians is to assist in the economic struggles of the workers by participation in the liberal-oppositional activities of the Bourgeoisie against Czarism. Thus Marx was being "refuted" not only by professors and in "learned" volumes but also by practical social-democrats. This opportunistic theory was known at that time in Russia under the name of "Economism" because while it recognized the economic struggles of the workers it denied the independent political tasks of the proletariat. The spreading of this theory

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among the young leaders of the social-democracy was easily accomplished because the labor movement was constantly being depleted of its old workers and trained Marxists by arrests and exile. Another reason why the younger element easily succumbed to the reformist and petty-bourgeois theories was the absence of one unified guiding center. The first Congress of the Party was held in the spring of 1898. However, it left not a united Party but only the idea of a united Party due to the fact that the participants in the Congress and many leading workers were arrested and exiled to Siberia.

In the article "Defenders of Economism," Lenin characterizes the "economism": "In matters of principle—vulgarization of Marxism and helplessness in the face of modern 'criticism', that latest species of opportunism; in politics—a striving to restrict or to fragmentize political agitation and political struggle, a failure to understand that unless social-democrats (Communists) take the leadership of the general democratic movement in their own hands they will never be able to overthrow the autocracy; in tactics—complete instability; in regard to organization—the failure to understands that the mass character of the movement does not diminish but increases our obligation to establish a strong and centralized organization of revolutionaries capable of leading the preparatory struggle, all unexpected outburst and the final decisive attack."

The Russian "Economists" were reinforced by the Revisionist tendencies in Germany. Bernstein undertook to revise Marxism and insisted that "social-democracy must be changed from a Party of social revolution into a democratic Party of social reforms." Altho the German party at that time defeated Bernstein, it was finally destroyed by revisionism until now it is not even a Party of social reform. The socialist parties everywhere turned into defenders of capitalism and enemies of the working class—into social-fascist parties. In "What Is to Be Done" Lenin makes the most profound prognosis in the following manner: "Either Bourgeois or Socialist (Communist) ideology. There is no middle course (for humanity has not created a third ideology, and, moreover, in a society torn by class atagonisms there can never be a non-class ideology). Hence to belittle Socialist ideology in *anyway, to deviate from it in the slightest degree means* strengthening bourgeois ideology"

The opportunists of that day, just as the opportunists of today and the renegades from Communism raised the slogan of "Freedom of Criticism." The answer given by Lenin to the opportunists of yesterday holds good for the opportunists of today. "Freedom is a grand word, but under the banner of "Free Trade" the most predatory wars were conducted; under the banner of "free labor" the toilers were robbed. The term "fredom of criticism" contains the same inherent falshood. Those who are really convinced that they have advanced science, would demand, not freedom for the new views to continue side by side with the old, but the substitution of the old views by the new ideas."

"He who does no deliberately close his eyes cannot fail to see that the new "critical" tendency in Socialism (Communism) is nothing more nor less than a new species of opportunism. And if we judge people not by the brilliant uniforms they deck themselves in, not by the imposing appelations they give themselves, but by their actions, and by what they actually advocate, it will be clear that "freedom of criticism" means freedom . . . to introduce bourgeois ideas and bourgeois elements into Socialism (Communism)."

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"What Is to Be Done" can hardly be reviewed. In this book the genius of Lenin is fully revealed. No Communist can do his work consciously without a thorough study of this book.

Among the varieties of Economism was the Rabocheye Delo (a magazine printed in Switzerland). The Rabocheye Delo developed a theory of stages that meant that political demands should be formulated only in so far as the experience gained by workers in the economic struggles will permit. To this Lenin replied: "The fact that economic interests are a decisive factor *does not in the least imply* that the economic (i. e. Trade Union) struggle must be the main factor, for the essential and decisive interest of classes can be satisfied *only* by radical *political* changes. In particular the fundamental economic interests of the proletariat can be satisfied only by a political revolution, that will substitute the dictatorship of the proletariat for the dictatorship of the bourgeoisie. "To accomplish this the vanguard of the working class must not lag behind the spontaneous struggles of the proletariat, but must raise the movement to the level of its program. A great deal of space is devoted to Party tactics; "The whole art of politics, lies in finding the link that can be least torn out of our hands, the one that is most important at the given moment, the one that guarantees the command of the whole chain, and having found it, to cling to that link as tightly as possible."

The struggle for the creation of "a centralized militant organization, that consistently carries out a Social-Democratic (Communist) policy, that satisfies, so to speak all revolutionary instincts and strivings that can safeguard the movement against making thoughtless attacks and prepares it for attacks that hold out the promise of success;" was always uppermost in Lenin's mind.

No Communist can consciously carry on his activities without a thorough study of Lenin's work. "What Is To Be Done" is of especial importance and should be carefully studied by every active Party member.

Nuclei and units must make a part of their activities the circulation of Lenin's works among the members and the organization of study circles where books such as "What Is To Be Done" should be especially studied. When individual members cannot afford to buy the books, they should be bought jointly by the unit.

J. M.

* * *

Brookings, Robert S., *Economic Democracy*. America's Answer to Socialism and Communism. The MacMillan Company. New York, 1929.

In the present economic crisis the capitalist offensive is carried on, on the one hand by police clubs, wage cuts, unemployment and on the other by a reenforced broadcast of all of the vilest lies as to the present crisis that the capitalist class has been able to concoct out of its long practice in the Coolidge-Hoover period of "prosperity." Mr. Robert S. Brookings' "collection of articles, addresses and papers" dates from that period and can easily lay claim to being on as low a plane intellectually as anything of a similar nature produced by either Coolidge or Hoover or any of their retinue.

"The operation, *within the nation*, of the basic laws of supply and demand, not only adjusts the values of innumerable commo-

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dities to each other, but almost automatically insures an equality of opportunity to labor in such widely different occupations as industry, transportation, and agriculture." (p. 78).

The operation of the basic laws of capitalism within the nation and in the world economy at the present time automatically insures an equality of opportunity of workers throughout the United States and throughout the world to starve—or fight. Brookings finds further (p. 71) that the enormous losses resulting from overproduction are the price "we" pay for "freedom." To the proletariat this means that starvation is the price he pays for the "freedom" to starve. To the capitalist class this means that the money losses suffered in a crisis are a necessary evil in his "freedom" to exploit the working masses. Mr. Brookings has found, therefore, that the losses of overproduction are inherent in the "freedom" to exploit and be exploited, are inherent in the system of capitalist exploitation. Overproduction has one other blessing to bestow. "The pressure of overproduction is the greatest stimulus to efficiency." Capitalist efficiency! That means speed-up, longer hours, and ever greater unemployment for the working masses.

Mr. Robert S. Brookings gives his version of organized capitalism. "Just as 'Big Business' stabilizes production, so too it gives stability to distribution." (p. 10). The present economic crisis presents without adornment the disruption inherent in the capitalist economy and the fraud inherent in organized capitalism.

The author, preparing the way for his collected mental miscarriages chides the "classical" economists who followed in Adam Smith's footsteps for regarding "human labor as a commodity, like horses or other animals that contribute physical power to production." The human animal differs from "horses or other animals" in that in capitalist society workers starve when the capitalist class finds it unprofitable to exploit them whereas horses are fed. Seven million workers can starve because the capitalist economy has more than enough of the commodity labor power. Seven million horses unemployed would be fed by the capitalist class because they represent an investment.

Since labor power is no commodity what is more natural than that in the upside-down world of Brookings the worker proposes and the worker disposes of "money" and "management" and "capital" in industry quite as the mood strikes him. "Money in industry is worth no more or less, risk considered, than money in transportation, public utilities, or any other form of investment. Management in industry is worth no more or less than it contributes to the efficiency of labor. Labor is, therefore, interested in fairly compensating capital in order to keep it in industry and in paying

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management all that it can make itself worth. Labor, having thus paid management for its service and capital for the use of industrial facilities, must then in fixing its own wage, which fixes the market price of its product, have due regard for the public which is all of the other labor groups, including transportation, agriculture, professional and other services." (pp. 17-8).*

The sum and substance of this excerpt, aside from its unparalleled stupidity is that the working class should look on without bitterness while American capitalism piles up huge profits and should accept the wage cuts that American capitalism wants to force on it in order to carry out an ever sharper competitive struggle on the domestic and world markets. This interpretation, according to Brookings, is finding an ever wider acceptation. The proletariat knows that it is among its enemies—A. F. of L. bureaucrats, social democrats, and Musteites—that this "interpretation," this attack on the working class is finding acceptance.

Brookings reveals that trustification and the elimination of the small retailer by chain stores brings forth the "socialized corporation, owned by all the people." He does not bother to substantiate this assertion as do most of his ilk. There has been a drive to get a few shares of stock into the hands of workers and consumers during the past few years. A few corporations have tried to stifle the unrest among their workers by selling a few shares of stock to them on the installment plan. Among the white collar slave drivers the sale of the corporations stock was carried on to spur them on to driving the proletariat ever more mercilessly. The great public utility corporations have sold a small proportion of their stocks among the petty bourgeois consumers as one means of stilling their opposition to higher public service rates. There must also be mentioned in this summary of "stocks" owned by all the people that which the petty bourgeoisie, etc., had its hands on for a time prior to the stock market crash and by which it expected to reap the hundreds and thousands of dollars that are its utmost joy. White collar slaves, teachers, doctors, the labor aristocracy, professionals of a hundred categories, shopkeepers, the whole miserable lot found in the speculative frenzy of the stock market boom an exhilaration such as it had not known for a decade and a hope, yea a promise,

* This gem of Mr. R. S. B. first occurred in his "Industrial Ownership" and is repeated in the present volume by him probably because it reveals his unique analytical ability. We quote it at some length to let the reader witness for himself to what depths bourgeois economics can sink. The academicians who write bourgeois economics tell their story less childishly but none the less with a grasp of the significance of capitalism quite comparable to that of Mr. Robert S. Brookings.

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that it could rise out of its twilight existence into the ranks of the bourgeoisie. They gambled with an enthusiasm they could never have mustered except in an imperialist war or in an attack on the working class. The stock market crash brought them down to the harsh reality of their petty bourgeois existence—poorer than they had left it to venture into the mystery of money making on the stock exchange. The purchase of stock by the petty bourgeoisie and the labor aristocracy cannot be other than froth on the waves of the class struggle that arises and develops inevitably out of the system of capitalist exploitation. Brookings' "socialized corporations" are the trustified corporations which have thousands of the petty bourgeoisie owning in toto piecemeal sections of the corporations' securities. These corporations, the organs of capitalism, exploit tens of millions of workers for the benefit of an infinitesimal group of capitalists.

In the language of the "talkies" Mr. Robert S. Brookings "theme song" is the "saving wage." The "saving wage" trails its way though the entire collection directly or by implication. "The prevalence of such a wage scale (the "saving wage"—E.B.) frees the worker from the pressure of cut throat competitive selling of his labor and assures him economic independence" and creates "this sound, ethical, and economic relation of capital to labor which now exists." (p. 76). "The 'saving wage' which is not only sufficient for subsistence needs but provides for the necessary savings to protect the worker and his family from the menaces of unemployment, sickness, old age, and death, has grown to a size which is rapidly making capitalists of all our workers." (p. xxiii). The independence of seven million unemployed American workers is the independence to starve. Cossacks' clubs against the unemployed that is the "sound, and economic relation of capital to labor which now exists." That is the lesson that the American proletariat is being taught at a faster tempo than Mr. Robert S. Brookings could ever dream of in his weirdest nightmare. It is significant to note that the "saving wage" arose out of the "restriction of immigration, the protective tariff, the development of big business, and the wide distribution of corporate securities among investors"—which formed the basis for the exceptional position of American capitalism according to one Mr. Jay Lovestone.

"The "saving wage" has so raised the standard of living among the great masses of the population and made our home market so large that we are practically independent of exports." The capitalist class of Great Britain, Germany and France knows how independent American capitalism is of exports. They know that the growth of American capitalism implies the growth of export markets

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—at their expense. The great American banks, and the journals of capitalism preached for years the dependence of our "prosperity" on a growing export trade. The present slump in American export trade is an evidence of the severity of the world economic crisis and of the integration of the export trade within the whole present structure of capitalist imperialism in the United States.

"America's answer to socialism and communism" includes lying to the farmer as to his present situation and as to the future. Of the one third, or 35,000,000 of our population living on our farms, 40 per cent live on rented farms. This is the tenant farmer. After "having paid his landlord rent (the farmer) is in undisputed possession of his farming facilities." (p. 18). His "undisputed possession" lasts as long as he can exist under the exploitation imposed by finance capital. Tenantry is the intermediary stage between the privately owned farm and the expulsion of the farmer from the land, bankrupted, to join the industrial reserve army.

Mr. Robert S. Brookings knows this and offers the only solution capitalism has to offer—capitalist farming. "My opinion is that the best means of hastening the present slow and harrowing process of agricultural regeneration (throwing farmers off of the land!—E. B.) is by the formation of agricultural corporations which will accomplish in organization and management what big business has accomplished for industry." He tells the farmers that such corporations would give them bonds for their lands which would increase in value as farming became more efficiently organized. Such corporations are going to use land already owned by finance capital or will force the farmer to dispose of his lands for enough to get him to the cities. More efficient farming means capitalistically not shorter hours but fewer farmers, and longer hours and speed-up for those who become the agricultural wage slaves of farming corporations.

Quite appropriately the closing chapter of *Economic Democracy* is Industrial Defense. In this chapter Mr. Brookings mentions a few facts about the functioning of the war machine on the economic front in the World War. He looks to the next war and the feasibility of drafting labor for war work. After stating that the worker will work quite acquiescently without drafting rather than go to war, Mr. R. S. Brookings says, "In a general way, I would handle labor by agreement with the unions, just as I would handle prices by agreement with the manufacturers; rather than by any process of coercion." This representative of American capitalism knows how well the war machine was served by Sam Gompers, Hugh Frayne, etc., in deceiving the working masses and states that the labor lieutenants of capitalism in the A. F. of L. ought

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to be called on again in the next imperialist war to perform their scab job of jamming the American proletariat into the war machine so that it won't even murmer. The American proletariat is not going to be jammed into the next war machine by scab bureaucrats. Led by the revolutionary trade unions and the Communist Party its answer will be to smash the war machine and its Wolls, Fraynes, Greens, and similar scum.

The slogan of the next war will be again Dictatorship of the War Machine. "If in the event of another war, we lack authority of law for doing the things that we did, both in price fixing and commandeering, it is to be hoped that we will have a President with the vision and courage of President Wilson, who did not hesitate as Commander-in-Chief of the Army and Navy to assume that dictatorship absolutely essential for the protection of the civilian population and the winning of the war." (p. 147). We must fight the war danger but when it comes we shall fight the war machine. The basis for our struggle against the war danger and against the imperialist war must be an extension of our influence in the basic industries—the war industries.

"America's Answer to Socialism and Communism" is, by the word of one Robert S. Brookings, Economic Democracy. Economic democracy is a wholesale Verdummungs system. Brookings' talents demonstrate its blantant attempts to create in the mind of the proletariat the belief that American capitalism and the American worker enjoy an exceptional position. The economic crisis has showed the working class otherwise and it will fight and not starve.

ERIK.

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Clarification of the role of the Daily Worker as the official organ of the Party and as a mass organ for the workers, thruout the Party.

Daily Worker to be the main point on the agenda at all Party units at their next meetings.

A delegate conference of all workers' organizations to be called *immediately*. It shall be a permanent conference for *supporting and building the Daily Worker*.

Naming a date and organizing at once an income affair for the Daily Worker.

Tasks to Secure Mass Circulation: Distribution and sale of the Daily Worker in front of the gates of the most important industries in each city. Sales before factory gates must become a permanent institution.

Three *Red Sundays* during the campaign to establish carrier routes at 18c per week per subscriber. Also to secure mail subscribers at the rate of 50c per month, or $1.00 for two months' subscriptions.

Establish regular sales up on the streets, at points where workers assemble, at all workers' meetings, etc.

Every Party member to secure a minimum of $5.00 in subscriptions and contributions and a special stamp for the dues book of all comrades attaining this goal.

Revolutionary competition. Quota for each district. Cooperation of the entire language press. Plan to return to six pages. Improvement of Daily Worker. Increase in advertising. Articles by all leading comrades, Daily Worker representatives, district organizers in support of the campaign, citing possibilities for and accomplishment of concrete results.

DAILY WORKER

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